

<i>SERFF Tracking Number:</i>	<i>HRLV-125761720</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Harleysville Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CPSV12172007-2</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>CP</i>		
<i>Project Name/Number:</i>	<i>CP Product Standardization - initial/</i>		

Filing at a Glance

Companies: Harleysville Insurance Company, Harleysville Preferred Insurance Company, Harleysville Worcester Insurance Company

Product Name: CP	SERFF Tr Num: HRLV-125761720	State: Arkansas
TOI: 01.0 Property	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)	Co Tr Num: CPSV12172007-2	State Status: Fees verified and received
Filing Type: Form	Co Status: Product Standardization - Phase 3B -initial	Reviewer(s): Betty Montesi, Llyweyia Rawlins
	Author: Carol Zwoyer	Disposition Date: 08/14/2008
	Date Submitted: 08/06/2008	Disposition Status: Approved
Effective Date Requested (New): 01/15/2009		Effective Date (New): 01/15/2009
Effective Date Requested (Renewal): 06/02/2009		Effective Date (Renewal): 06/02/2009

State Filing Description:

General Information

Project Name: CP Product Standardization - initial	Status of Filing in Domicile:
Project Number:	Domicile Status Comments:
Reference Organization: ISO	Reference Number: various
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 08/14/2008	
State Status Changed: 08/07/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Harleysville Insurance Company, Harleysville Preferred Insurance Company and Harleysville Worcester Insurance Company have been granted authority to transact business in the state of Arkansas. It is our intent to begin active operation January 15, 2009.	

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Company and Contact

Filing Contact Information

Carol Zwoyer, Senior State Filing Analyst czwoyer@harleysvillegroup.com
355 Maple Avenue (215) 256-5735 [Phone]
Harleysville, PA 19438-2297 (215) 256-5678[FAX]

Filing Company Information

Harleysville Insurance Company	CoCode: 23582	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 41-0417250	

Harleysville Preferred Insurance Company	CoCode: 35696	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 23-2384978	

Harleysville Worcester Insurance Company	CoCode: 26182	State of Domicile: Pennsylvania
355 Maple Avenue	Group Code: 253	Company Type:
Harleysville, PA 19438	Group Name:	State ID Number:
(215) 256-5000 ext. [Phone]	FEIN Number: 04-1989660	

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Insurance Company	\$0.00	08/06/2008	
Harleysville Preferred Insurance Company	\$50.00	08/06/2008	21809705

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<i>Harleysville Worcester Insurance Company</i>	<i>\$0.00</i>	<i>08/06/2008</i>	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/14/2008	08/14/2008

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Disposition

Disposition Date: 08/14/2008
Effective Date (New): 01/15/2009
Effective Date (Renewal): 06/02/2009
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Cover letter, Exhibits A & B	Approved	Yes
Form	Commercial Property Endorsement	Approved	Yes
Form	Commercial Property Plus	Approved	Yes
Form	Equipment Breakdown Endorsement	Approved	Yes
Form	Equipment Breakdown Endorsement Schedule	Approved	Yes
Form	Commercial Property Endorsement	Approved	Yes
Form	Earthquake – Volcanic Eruption Coverage Schedule	Approved	Yes
Form	Commercial Property Coverage Part Declarations	Approved	Yes
Form	Commercial Property Coverage Part Supplemental Schedule	Approved	Yes
Form	Commercial Property Coverage Part Supplemental Schedule - Blanket	Approved	Yes
Form	Commercial Lines Common Policy Declarations	Approved	Yes
Form	Policy Change Document	Approved	Yes
Form	Additional Insured Schedule	Approved	Yes
Form	Additional Interest Schedule	Approved	Yes
Form	Form Schedule	Approved	Yes
Form	Location Schedule	Approved	Yes
Form	Loss Payee Schedule	Approved	Yes
Form	Mortgagee Schedule	Approved	Yes
Form	Named Insured Schedule	Approved	Yes
Form	Policyholder Notice Schedule	Approved	Yes
Form	Declaration Page Extension	Approved	Yes
Form	Fees and Schedules	Approved	Yes
Form	Manuscript Endorsement	Approved	Yes
Form	Manuscript Endorsement	Approved	Yes

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Form	Policy Jacket – Harleysville Worcester Insurance Company	Approved	Yes
Form	Policy Jacket – Harleysville Preferred Insurance Company	Approved	Yes
Form	Policy Jacket – Harleysville Insurance Company	Approved	Yes
Form	Flood Coverage Schedule (Sub-limit)	Approved	Yes
Form	Fuel Oil Dealers Property Endorsement	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Commercial Property Endorsement	CP-7110	03-04	Endorsement/New Amendment/Conditions		0.00	CP-7110_Ed 3-04_Property Enhancement Endorsement.pdf
Approved	Commercial Property Plus	CP-7130	03-04	Endorsement/New Amendment/Conditions		0.00	CP-7130_Ed 3-04_Comm'l Prop Plus II Endmt.pdf
Approved	Equipment Breakdown Endorsement	CP-7136	11-06	Endorsement/New Amendment/Conditions		0.00	CP-7136_Ed 11-06_EB Cvge.pdf
Approved	Equipment Breakdown Endorsement Schedule	CP-7137	11-06	Declaration News/Schedule		0.00	CP-7137_Ed 11-06_CP EB Sched.pdf
Approved	Commercial Property Endorsement	CP-7159	10-04	Endorsement/New Amendment/Conditions		0.00	CP-7159_Ed 10-04_Commercial Property Endorsement.pdf
Approved	Earthquake – Volcanic Eruption Coverage Schedule	CP-7164	11-06	Declaration News/Schedule		0.00	CP-7164_Ed.pdf
Approved	Commercial Property	CP-7161	11-06	Declaration News/Schedule		0.00	CP-7161 (Ed. 11-06)

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	Coverage Part Declarations						CP Cvge Part Dec - Fields.pdf
Approved	Commercial Property Coverage Part Supplemental Schedule	CP-7162	11-06	Declaration New s/Schedule	0.00		CP-7162 (Ed. 11-06) CP Cvge Part Supp Sched - Fields.pdf
Approved	Commercial Property Coverage Part Supplemental Schedule - Blanket	CP-7163	11-06	Declaration New s/Schedule	0.00		CP-7163 (Ed 11-06) CP Supp Sched Blanket.pdf
Approved	Commercial Lines Common Policy Declarations	GU-7000	03-08	Declaration New s/Schedule	0.00		GU-7000 _Ed 3-08_ Common Policy Dec.pdf
Approved	Policy Change Document	GU-7001	07-08	Endorseme New nt/Amendm ent/Condi tions	0.00		GU-7001.pdf
Approved	Additional Insured Schedule	GU-7002	11-06	Declaration New s/Schedule	0.00		GU-7002 (Ed 11-06) Addl Insured Sched.pdf
Approved	Additional Interest Schedule	GU-7003	11-06	Declaration New s/Schedule	0.00		GU-7003 (Ed 11-06) Addl Interest Sched.pdf
Approved	Form Schedule	GU-7004	11-06	Declaration New s/Schedule	0.00		GU-7004 (Ed 11-06) Form Schedule.pdf
Approved	Location	GU-7005	11-06	Declaration New	0.00		GU-7005

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Schedule					s/Schedule	(Ed 11-06) Location Schedule.pdf
Approved	Loss Payee Schedule	GU-7006	11-06	Declaration New s/Schedule	0.00	GU-7006 (Ed 11-06) Loss Payee Sched.pdf
Approved	Mortgagee Schedule	GU-7007	11-06	Declaration New s/Schedule	0.00	GU-7007 (Ed 11-06) Mortgagee Sched.pdf
Approved	Named Insured Schedule	GU-7008	11-06	Declaration New s/Schedule	0.00	GU-7008 (Ed 11-06) Nmd Insd Sched.pdf
Approved	Policyholder Notice Schedule	GU-7009	11-06	Declaration New s/Schedule	0.00	GU-7009 (Ed 11-06) Policyholder Notice Schedule.pdf
Approved	Declaration Page Extension	GU-7013	11-06	Endorseme New nt/Amendm ent/Condi tions	0.00	GU-7013 (Ed 11-06) Declarations Page Extension.pdf
Approved	Fees and Schedules	GU-7015	11-06	Declaration New s/Schedule	0.00	GU-7015 (Ed 11-06) Fees And Surcharge Schedule.pdf
Approved	Manuscript Endorsement	MANU-1	07-04	Endorseme New nt/Amendm ent/Condi tions	0.00	MANU-1.pdf
Approved	Manuscript Endorsement	MANU-2	07-04	Endorseme New nt/Amendm	0.00	MANU-2.pdf

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				ent/Condi	ons		
Approved	Policy Jacket – Harleysville Worcester Insurance Company	PJ-0003	02-05	Other	New	0.00	PJ-0003 _2-05_HWIC.pdf
Approved	Policy Jacket – Harleysville Preferred Insurance Company	PJ-0004	02-05	Other	New	0.00	PJ-0004 _Ed 2-05_PREF.pdf
Approved	Policy Jacket – Harleysville Insurance Company	PJ-0023	02-05	Other	New	0.00	PJ-0023 _Ed 2-05_HIC.pdf
Approved	Flood Coverage Schedule (Sub-limit)	CP-7169	12-07	Declaration New s/Schedule			CP-7169 _Ed. 9-08_Flood Cvge Sched _Sub-Limit_.pdf
Approved	Fuel Oil Dealers Property Endorsement	CP-7174	01-08	Endorseme New nt/Amendm ent/Condi	ons		CP-7174 ed 01-08.pdf

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form CP 00 10
Causes of Loss – Special Form CP 10 30

CP-7110
(Ed. 3-04)

COMMERCIAL PROPERTY PLUS ENDORSEMENT
Summary of Coverages

No coverage is provided by the summary of coverages below, nor can it be construed to replace any provisions of your policy or any endorsement attached thereto. You should read your policy, its endorsements, and any changes to your policy under this endorsement for complete information on coverages you are provided. If there is any conflict between the summary of coverages and your policy or the endorsements thereto, your policy and the endorsements will control.

Premises Boundary	1000 feet
Signs	Included as Covered Property
Debris Removal	\$25,000
Preservation of Property	60 days
Fire Department Service Charge	\$25,000
Pollutant Clean up and Removal	\$25,000
Building Ordinance or Law	
Coverage A	Included within Limit of Insurance
Coverage B	\$25,000
Coverage C	\$25,000
Electronic Data	\$15,000
Accounts Receivable On Premises	\$25,000
Off Premises	\$25,000
Arson or Theft Reward	\$10,000
Back- up of Sewers or Drains	\$25,000 subject to \$100,000 policy aggregate
Brands and Labels	\$10,000
Consequential Loss to Stock	\$10,000
Employee Theft and Forgery or Alteration	\$25,000
Employees Tools	\$10,000
Electronic Data Processing Equipment	\$15,000
Fine Arts	\$10,000
Fire Extinguisher Recharge Expense	\$10,000
Lock and Key Replacement	\$1,500 \$50 Special Deductible
Loss Adjustment Expenses	\$10,000
Money and Securities	\$25,000 Inside/Outside
Off Premises Utility Service Failure	\$25,000 24 hour deductible
Theft Damage to Building	Included
Newly Acquired or Constructed Property	60 days
Building	The lesser of 25% of Building Limit or \$500,000

Business Personal Property	The lesser of 25% of BPP Limit or \$250,000
Personal Effects and Property of Others	\$25,000
Valuable Papers and Records (other than Electronic Data)	\$25,000
Property Off- Premises including Fairs, Trade Shows or Exhibitions	\$25,000
Salesperson's Samples	\$15,000
Laptops and other portable office equipment, territory worldwide	\$10,000
Outdoor Property	\$10,000, no more than \$1,000 for each tree, plant, or shrub
Spoilage due to Mechanical Breakdown	\$25,000
Patterns, Dies, Molds and Forms (Theft)	\$10,000
Property in Transit	\$25,000

COVERAGES

The terms and conditions of your policy are amended as indicated below. If Business Income and /or Extra Expense Coverage is endorsed to this policy, those coverages do not extend to this Enhancement Endorsement. Unless otherwise stated, the limits applicable to the Coverage Extensions and Additional Coverages are in addition to the Limits of Insurance described in the policy Declarations. The minimum policy deductible available for this enhancement Endorsement is \$500.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP 0010) is amended as follows:

I. Premises Boundary

All provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises, unless otherwise indicated.

II. Signs

All provisions are revised to include signs, attached to building and not attached to building, as Covered Property, provided such signs would otherwise qualify as Covered Property under the policy.

III. Section A. Coverage, subsection 4. Additional Coverages, is amended as follows:

4.a. Debris Removal

The limit of coverage under item **4.a(4) Additional Coverages, Debris Removal**, is amended to an additional \$25,000 for each location in any one occurrence.

4.b. Preservation of Property

The limit of coverage under item **4.b (2) Additional Coverages, Preservation of Property**, is amended to a maximum of 60 days after the property is first moved.

4.c. Fire Department Service Charge

The limit of coverage under item **4.c paragraph 1, Additional Coverages, Fire Department Service Charge**, is amended to a maximum of \$25,000 per occurrence.

4.d. Pollutant Clean Up and Removal

The limit of coverage under item **4.d paragraph 3, Additional Coverage's, Pollutant Clean Up and Removal**, is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

4. e Increased Cost of Construction is replaced by the following:

Building Ordinance or Law

Item 4.e, Additional Coverages, Increased Cost of Construction, is deleted and replaced by the following Building Ordinance or Law Coverage:

If there is an ordinance or law in effect at the time of loss that regulates zoning, land use, or construction of a covered building, and if enforcement of that ordinance or law effects the repair or rebuilding of that building following damage by a Covered Cause of Loss we will pay for:

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

The most we will pay under Coverage B is \$25,000 per occurrence

3. Coverage C – Increased Cost of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1)** Repair or reconstruct damaged portions of that building; and/or
- (2)** Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;
when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

The most we will pay under coverage C is \$25,000 per occurrence.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a. :

- (1)** The cost of excavating, grading, backfilling and filling;
- (2)** Foundation of the building;
- (3)** Pilings; and
- (4)** Underground pipes, flues and drains.

The items listed in **b. (1)** through **b. (4)** above are deleted from **SECTION A. COVERAGE, subsection 2. Property Not Covered**, but only with respect to the coverage described in this Provision, **3.b.**

We will not pay under Coverage A, B and/or C of this Additional Coverage:

1. The costs associated with the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or other to test for, monitor or cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

4.f. Electronic Data

The limit of coverage under item **4.f.(4), Additional Coverages, Electronic Data**, is amended as follows:

The most we will pay under this Additional Coverage- Electronic Data is \$15,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved.

III. The following are ADDED to Section A. Coverage, subsection 4. Additional Coverages of the Building and Personal Property Coverage Form:

4.g. Accounts Receivable

a. Under item **4.g. Additional Coverages, Accounts Receivable**, we will pay the following that result from Covered Causes of Loss to your records of accounts receivable located at the described premises shown in the Declarations:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

b. Exclusions

(1) Section B., Exclusions - Cause of Loss -Special Form - does not apply to this Accounts Receivable Coverage, except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War and Military Action;

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Dishonest or criminal acts by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

(b) Alterations, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of electronic recordings; but we will pay for direct loss or damage caused by lightning.
- (e) Voluntary parting with any property by you or anyone else to whom you have entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) Unauthorized instructions to transfer property to any person or to any place.
- (3) We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence. However, where you establish wholly apart from such an audit or computation that you have sustained a loss, then you may offer your audit or records and inventory computation in support of the amount of loss claimed.
- (4) We will not pay for loss or damage caused by or resulting from any of the following:
 - (a) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph (1) above to produce the loss or damage.
 - (b) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (c) Faulty, inadequate or defective
 - i. Planning, zoning, development, surveying, siting;
 - ii. Design, specifications, workmanship, repair, construction, renovations or remodeling, grading, compaction;
 - iii. Material used in repair, construction, renovation or remodeling; or
 - iv. Maintenance;

But if an excluded cause of loss that is listed in (4) a. through (4) c. above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

c. Preservation of Records

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from the described premises;
- (2) Being taken to and returned from that place.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the premises from which the records of accounts receivable are removed.

d. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is \$25,000.

For Accounts Receivable not at any premises described in this policy, the most we will pay is \$25,000.

4.h. Arson or Theft Reward

- a. Under item **4.h. Additional Coverages, Arson or Theft Reward**, we will pay a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a covered theft or fire loss. The most we will pay for loss or damage under this Additional Coverage is \$10,000 regardless of the number of people involved in providing information.

4.i. Back-up of Sewers or Drains

- a. Under item **4.i. Additional Coverages, Back-up of Sewers or Drains**, we will pay for direct loss caused by water that backs up through sewers or drains, or water that enters into and overflows from or within a sump pump, sump pump well or other type system designed to remove subsurface water which is drained from the foundation area.
- B. The most we will pay under this Extension is \$25,000 per occurrence, subject to a policy aggregate of \$100,000 per policy period

- c. Section B., Exclusions Item g. (3) - Cause of Loss -Special Form- is replaced by the following:
(3) Water that backs up from a sewer, drain or sump, except as provided by Additional Coverage 4.i (above) Back-up of Sewers or Drains.

4.j. Brands and Labels

- a. Under item **4.j. Additional Coverages, Brands and Labels**, if covered Business Personal Property is damaged by a Covered Cause of Loss, we may take all or any part of the damaged property at an agreed or appraised value. If so, you may:
- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b. We will pay reasonable costs you incur up to \$10,000 for your expenses for stamping or removing brands or labels. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

4.k. Consequential Loss to Stock

- a. Under item **4.k. Additional Coverages, Consequential Loss to Stock**, we will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in process of manufacture at the described premises.
- b. In the application of the COINSURANCE Additional Condition, the value of "stock" in process of manufacture at any location to which this endorsement applies, includes the additional value that it represents in "stock" at other locations.
- c. The most we will pay under this Additional Coverage for each described premises is \$10,000.

4.l. Employee Theft and Forgery or Alteration

A. Insuring Agreements

Under item **4.l. Additional Coverages, Employee Theft and Forgery**, coverage is provided for the following Insuring Agreements;

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

This coverage does not apply to any "employee" immediately upon discovery by you or any of your partners, officers, or directors not in collusion with the "employee"; of any theft or dishonest act committed by that "employee" before or after being employed by you.

2. Forgery Or Alteration

- a. We will pay for loss resulting directly from "forgery" or unauthorized alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
- (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;
- or that are purported to have been so made or drawn.
- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for reasonable legal expenses that you incur and pay in that defense. Such reasonable legal expenses shall be deemed to be part of the loss resulting from the "forgery" or unauthorized alteration giving rise to such legal expenses and shall be included in the Limit of Insurance set forth in paragraph B. of this Additional Coverage part.

B. Limit Of Insurance: The most we will pay for loss or damage, including reasonable legal expense payments as provided under this Additional Coverage, in any one "occurrence" is \$25,000. All loss or damage caused by one or more "employees," or involving a single act or series of related acts, is considered one occurrence.

C. Exclusions

1. This Additional Coverage does not apply to:

a. Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
 - (2) Any of your partners or "members";
- whether acting alone or in collusion with other persons.

b. Indirect Loss

Loss that is an indirect result of any act or "occurrence" covered by this Additional Coverage including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage. Item 4.r of this enhancement endorsement is not applicable to this section.

2. Insuring Agreement A.1. does not apply to:

a. Employee Cancelled Under Prior Insurance

Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

c. Trading

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

d. Warehouse Receipts

Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

3. Insuring Agreement A.2. does not apply to:

Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- a. Whether acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

4. Discovery

- (1) We will pay for loss that you sustain through acts committed at any time and discovered by you during the policy period shown in the Declarations; or

- (2) Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Additional Coverage has been or will be incurred, even though the exact amount or details of loss may not then be known. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

5. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this Additional Coverage at any time during the policy period and up to 3 years afterward.

6. Definitions

- (1) "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- (2) "Occurrence" means:
 - (a) As respects Insuring Agreement A.1., all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
 - (b) As respects Insuring Agreement A.2., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
- (3) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- (4) "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of the Insured.

4.m. Employees Tools

- a. Under item **4.m. Additional Coverages, Employees Tools**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located at the premises described in the Declarations, to apply to tools owned by your "employees." Our payment for loss of or damage to "employees" tools will only be for the account of the owner of the property. The loss or damage must be caused by or result from a Covered Cause of Loss.
- b. The most we will pay for loss or damage under this Extension is \$10,000 for any one loss or damage, but not more than \$2,500 for such property owned by any one "employee."

4.n. Electronic Data Processing Equipment

- a. Under item **4.n. Additional Coverages, Electronic Data Processing Equipment**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located in a building described in the Declarations, which is limited to covered property that is your computer equipment, media, "electronic data" (as defined in the Property Not Covered Section of your policy) and programs which you own, lease or rent from others, or for which you are legally responsible, which is caused by any of the following Additional Covered Causes of Loss:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force; and
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices or wires.

To the extent that "electronic data" is not replaced or restored, loss to "electronic data" will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

In the event of a loss to your covered property specified herein caused by an Additional Covered Causes of Loss, we cover your additional loss expenses for the "period of restoration". Such additional loss expense shall be included within and not in addition to our limits of liability set forth in paragraph e. below.

- b. Coverage under this Extension includes:

- (1) Personal computers, electronic data processing and word processing equipment including their component parts;

- (2) "Electronic data" as defined above; and
- (3) Media on which data is stored
- c. We do not cover:
 - (1) Equipment or media that is sold on an installment plan once it leaves your custody;
 - (2) Equipment or media that you rent to others while it is away from a described premises;
 - (3) Media that cannot be replaced;
 - (4) Program support documentation, flow charts, record formats or narrative descriptions unless this property has been converted to data form;
 - (5) Loss that results from an error or omission in programming or giving improper instructions to the equipment, except that this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worm, logic bombs or other malicious software;
 - (6) Loss caused by the suspension, lapse or cancellation of a lease, contract or order;
 - (7) Loss or damage caused by or resulting from magnetic injury, or similar disturbance that affects computers, programs, or electronic media and records.
 - (8) "Extra Expense" that results from the items listed above.

"Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from any of the Additional Covered Causes of Loss set forth in this Additional Coverage.
- d. For the purposes of this Coverage Extension only, the "period of restoration" means the period of time that:
 - (1) Begins with the date of direct physical loss or damage caused by or resulting from any Additional Covered Cause of Loss to the covered property specified above at the described premises; and
 - (2) Ends on the date when the electronic data processing equipment or media at the described premises is or reasonably could be repaired, rebuilt or replaced with reasonable speed and similar quality, regardless whether any or all lost "electronic data" has not been partially or fully repaired or replaced.

The "period of restoration" is not limited by the expiration date of this policy.
- e. The most we will pay for loss or damage under this Extension is \$15,000 for any one loss to the covered property specified above caused by an Additional Covered Cause of Loss.

4.o. Fine Arts

- a. Under item **4.o. Additional Coverages, Fine Arts**, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historical worth owned by you, or in your care, custody or control, located at the premises described in the Declarations. We will not cover such property if held for sale, nor for loss or damage caused by repair, restoration or retouching. Loss or damage must be caused by or result from a Covered Cause of Loss.
- b. If loss or damage occurs, we will pay the appraisal value. If you do not have an appraisal, we will pay your cost at the time of purchase.
- c. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.
- d. The most we will pay for loss or damage under this Fine Arts Coverage Extension is \$10,000 at each described premises.

4.p. Fire Extinguisher Recharge Expense

Under item **4.p. Additional Coverages, Fire Extinguisher Recharge Expense**, we will pay the lesser of the cost of recharging or replacing your fire extinguishers or fire extinguishing systems(including hydrostatic testing if needed), because they are discharged as a result of fighting a fire on or within 100

feet of your described premises or discharge is accidental or results from a malfunction of the fire equipment. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence. Section I, Premises Boundary of this endorsement does not apply to the Additional Coverage provided by this paragraph 4.p.

4.q. Lock and Key Replacement

Under item **4.q. Additional Coverages, Lock and Key Replacement**, we will pay the expenses you incur for the replacement of locks and keys of Buildings which you own or occupy at premises described in the Declarations if keys are stolen. The most we will pay under this Additional Coverage is \$1,500 per occurrence. A Special Deductible of \$50 applies.

4.r. Loss Adjustment Expenses

Under item **4.r. Additional Coverages, Loss Adjustment Expenses**, You may extend the insurance provided by this Coverage Form to cover your expenses for preparation of loss data, including recording information, compiling inventories, or obtaining appraisals, that we require in connection with any claim covered under this policy, except for public adjusters hired by you. The most we will pay under this Extension is \$10,000 for any one loss.

4.s. Money and Securities

1. Under item **4.s. Additional Coverages, Money and Securities**, we will pay for loss of:

a. "money" and "securities" while located within the "premises" resulting directly from the following covered Causes of Loss:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction

provided such theft, disappearance or destruction is caused by the criminal removal from the "premises" or destruction of the "money" and "securities".

b. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while outside the "premises" in the care and custody of an armored motor vehicle company. But, we will only pay for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

c. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while in the care, custody and control of a "messenger".

Under this Additional Coverage, "premises" means the interior of that portion of any building shown in the policy Declarations, you occupy in conducting your business.

2. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- a. Resulting from accounting or arithmetical errors or omissions;
- b. That requires any audits of records or any inventory computations to prove its factual existence. However, where you establish wholly apart from such audit or computations that you have sustained a loss, then you may offer your audit of records and inventory computation in support of the amount of loss claimed.
- c. Resulting from the giving or surrendering of property in any exchange or purchase;
- d. Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- e. Resulting from any dishonest or criminal act committed by you or any of your employees, directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - f. From damage to the described premises resulting from fire, however caused;
 - g. Of covered property after it has been transferred or surrendered to a person or place outside the described premises;
 - (1) On the basis of unauthorized instructions; or
 - (2) As a result of a threat to do bodily injury to any person or damage to any property.

But this exclusion does not apply to loss of covered property while outside the described premises or "banking premises" in the care and custody of a "messenger" if you have knowledge of any threat at the time of the conveyance from the described premises or "banking premises" to the "messenger";
 - h. From damage to the described premises or its exterior;
 - i. Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
3. The most we will pay for loss in any one occurrence is:
- a. \$25,000 for Inside the Premises for "money" and "securities" while inside the insured premises described in the policy Declarations; or
 - b. \$25,000 for Outside the Premises for "money" and "securities" in the care and custody of a "messenger" or the armored motor vehicle company.
4. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
5. Definitions
- "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- "Messenger" means you, a relative of yours, or any of your partners, "members", "managers" or any "employee" while having care and custody of property outside the "premises".

4.t. Off Premises Utility Service Failure

Under item **4.t. Additional Coverages, Off Premises Utility Service Failure**, this coverage form is extended to pay for direct physical loss or damage to covered property that is caused by:

- 1. The interruption of utility service to the premises described in the policy Declarations. This interruption of service must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - a. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping stations; and
 - (2) Water mains.
 - b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
 - c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;

(3) Substations; and

(4) Transformers

For purposes of this enhancement, Power Supply Services do not include overhead transmission lines.

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data.

2. We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- c. The inability of an electrical utility company to or other power source to provide sufficient power due to lack of fuel or governmental order;
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
- e. Breaking of any glass that is a permanent part of any refrigeration, cooling or humidity control unit.

The most we will pay under this Extension is \$25,000 for any one occurrence. A Special Deductible of 24 hours per occurrence applies to this Additional Coverage.

4.u. Theft Damage to Building

Under item **4.u. Additional Coverages, Theft Damage to Building**, we will pay for damage caused directly by burglary, theft or attempted burglary or theft to:

- a. That part of any building described in the policy Declarations containing your Business Personal Property; or
- b. Equipment within that building used to maintain or service the building.

We will not pay for damage caused by fire or explosion.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the location described in the Declarations.

VI. Section A. Coverage, Subsection 5. - Coverage Extensions of the Building and Personal Property Coverage Form are amended as follows:

5.a. Newly Acquired or Constructed Property

We will extend coverage in accordance with item **5.a Coverage Extension, Newly Acquired or Constructed Property**, except that:

- (1) The most we will pay at each newly acquired location for loss or damage to your Building under this extension is increased to the lesser of 25% of your Building limit or \$500,000 at each location.
- (2) The most we will pay at each newly acquired location for loss or damage under this extension for Your Business Personal Property is increased to the lesser of 25% of your Building Personal Property limit or \$250,000 at each location.
- (3) The maximum days under paragraph (3)(b) is increased to 60 days.

5.b. Personal Effects and Property of Others

The maximum amount for each described premises under item **5.b. Coverage Extensions, Personal Effects and Property of Others** does not apply. The most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. This extension does not apply to tools owned by your "employees".

5.c. Valuable Papers and Records (other than Electronic Data)

The maximum amount for each described premises under item **5.c.(4), Coverage Extensions, Valuable Papers and Records (other than Electronic Data)** does not apply. The most that we will pay under this extension is \$25,000 at each described premises.

5.d. Property Off- Premises

1. The most we will pay for loss or damage under item **5.d, Coverage Extensions, Property Off-Premises**, is amended to \$25,000, except that the most we will pay for loss of or to laptops and portable office equipment is \$10,000. For purposes of this extension, the coverage territory with respects to laptops and portable office equipment only is amended to worldwide.
2. You may extend this insurance provided by this Coverage Extension to include Business Personal Property, other than "stock," in a salesperson's care, custody or control. This extension also applies to Covered Property in or on a vehicle while in a salesperson's care, custody and control unless coverage is provided under Part VII, Paragraph F of this endorsement in which event Paragraph F of Part VII shall control. The most we will pay under this extension is \$15,000.

5.e Outdoor Property

Item **5.e Coverage Extensions, Outdoor Property**, is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following property:

- a. Your outdoor fences, retaining walls, light poles, and flag poles that are not part of a building.
- b. Your outdoor radio, television, satellite, dish-type or other antennas, including their masts, towers, lead-in and support wiring.
- c. Your outdoor trees, shrubs and plants that are not "stock."

The most we will pay is \$10,000 in any one occurrence, but not more than \$1,000 for any one tree, shrub or plant.

VII. Cause of Loss-Special Form CP 1030 is amended as follows:

Under item **B.2.d.(6) Cause of Loss- Special Form, Exclusions**, mechanical breakdown is amended to read as follows:

Mechanical Breakdown or mechanical failure, including rupture or bursting caused by centrifugal force. But if spoilage to "perishable stock" results, we will pay for that resulting loss or damage due to direct physical loss arising from mechanical breakdown or mechanical failure. If mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision. The most we will pay under this Extension is \$25,000.

Under this Additional Coverage "perishable stock" means property:

- a. maintained under controlled temperature or humidity conditions for preservation ; and
- b. susceptible to loss or damage if the controlled temperature or humidity conditions change.

Mechanical Breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

C. Limitations

Paragraph **3.c.** of **C. Limitations** is replaced by the following:

3.c. \$10,000 for patterns, dies, molds and forms.

F. Additional Coverage Extensions is amended as follows:

Paragraph **1.a** of **F. Additional Coverage Extensions, Property in Transit**, is amended to delete the exception for property in the care, custody or control of your salespersons.

Paragraph 1.c of **F. Additional Coverage Extensions, Property in Transit**, is replaced by the following:

c. The most we will pay for loss or damage under this Extension is \$25,000

VIII. Additional Conditions

The following Additional Conditions are added to all coverages provided under this Coverage Enhancement:

a. Coverage afforded the insured under this Coverage Enhancement will be excess over any other valid and collectible insurance available to the insured.

b. Non-Cumulation Of Limit Of Insurance

Regardless of the number of years this Enhancement Endorsement remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

IX. Additional Definitions

1. "Employee":

a. "Employee" means:

(1) Any natural person:

(a) While in your service or for 30 days after termination of service;

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises" ;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s)" insured under this policy; and

(b) Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s)" insured under this policy;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

(1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

2. "Manager" means a person serving in a directoral capacity for a limited liability company.

3. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

4. "Money" means:

- a.** Currency, coins and bank notes in current use and having a face value; and
 - b.** Travelers checks, register checks and money orders held for sale to the public.
- 5.** "Operations" means your business activities occurring at the described premises.
- 6.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 7.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".

Except as amended herein, all of the terms and conditions of your policy remain unchanged.

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form CP 00 10
Causes of Loss – Special Form CP 10 30

CP-7130
(Ed. 3-04)

COMMERCIAL PROPERTY PLUS II ENDORSEMENT
Summary of Coverages

No coverage is provided by the summary of coverages below, nor can it be construed to replace any provisions of your policy or any endorsement attached thereto. You should read your policy, its endorsements, and any changes to your policy under this endorsement for complete information on coverages you are provided. If there is any conflict between the summary of coverages and your policy or the endorsements thereto, your policy and the endorsements will control.

Premises Boundary	1000 feet
Signs	Included as Covered Property
Debris Removal	\$50,000
Preservation of Property	60 days
Fire Department Service Charge	\$25,000
Pollutant Clean up and Removal	\$25,000
Building Ordinance or Law	
Coverage A	Included within Limit of Insurance
Coverage B	\$50,000
Coverage C	\$50,000
Electronic Data	\$25,000
Accounts Receivable On Premises	\$50,000
Off Premises	\$50,000
Arson or Theft Reward	\$25,000
Back- up of Sewers or Drains	\$25,000 subject to \$100,000 policy aggregate
Brands and Labels	\$25,000
Consequential Loss to Stock	\$50,000
Employee Theft and Forgery or Alteration	\$50,000
Employees Tools	\$10,000
Electronic Data Processing Equipment	\$25,000
Fine Arts	\$25,000
Fire Extinguisher Recharge Expense	\$10,000
Lock and Key Replacement	\$1,500 \$50 Special Deductible
Loss Adjustment Expenses	\$10,000
Money and Securities	\$25,000 Inside/Outside
Off Premises Utility Service Failure	\$25,000 24 hour deductible
Theft Damage to Building	Included
Newly Acquired or Constructed Property	90 days
Building	The lesser of 25% of Building Limit or \$1,000,000

Business Personal Property	The lesser of 25% of BPP Limit or \$500,000
Personal Effects and Property of Others	\$25,000
Valuable Papers and Records (other than Electronic Data)	\$50,000
Property Off- Premises including Fairs, Trade Shows or Exhibitions	\$50,000
Salesperson's Samples	\$15,000
Laptops and other portable office equipment, territory worldwide	\$10,000
Outdoor Property	\$25,000, no more than \$1,000 for each tree, plant, or shrub
Spoilage due to Mechanical Breakdown	\$25,000
Patterns, Dies, Molds and Forms (Theft)	\$50,000
Property in Transit	\$50,000

COVERAGES

The terms and conditions of your policy are amended as indicated below. If Business Income and /or Extra Expense Coverage is endorsed to this policy, those coverages do not extend to this Enhancement Endorsement. Unless otherwise stated, the limits applicable to the Coverage Extensions and Additional Coverages are in addition to the Limits of Insurance described in the policy Declarations. The minimum policy deductible available for this enhancement Endorsement is \$500.

BUILDING AND PERSONAL PROPERTY COVERAGE FORM (CP 0010) is amended as follows:

I. Premises Boundary

All provisions that limit the location of property to "within 100 feet" of specified premises are extended to "within 1000 feet" of the specified premises, unless otherwise indicated.

II. Signs

All provisions are revised to include signs, attached to building and not attached to building, as Covered Property, provided such signs would otherwise qualify as Covered Property under the policy.

III. Section A. Coverage, subsection 4. Additional Coverages, is amended as follows:

4.a. Debris Removal

The limit of coverage under item **4.a(4) Additional Coverages, Debris Removal**, is amended to an additional \$50,000 for each location in any one occurrence.

4.b. Preservation of Property

The limit of coverage under item **4.b (2) Additional Coverages, Preservation of Property**, is amended to a maximum of 60 days after the property is first moved.

4.c. Fire Department Service Charge

The limit of coverage under item **4.c paragraph 1, Additional Coverages, Fire Department Service Charge**, is amended to a maximum of \$25,000 per occurrence.

4.d. Pollutant Clean Up and Removal

The limit of coverage under item **4.d paragraph 3, Additional Coverages, Pollutant Clean Up and Removal**, is amended as follows:

The most we will pay under this Additional Coverage for each described premises is \$25,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

4.e. Increased Cost of Construction is replaced by the following:

Building Ordinance or Law

Item 4.e., Additional Coverages, Increased Cost of Construction, is deleted and replaced by the following Building Ordinance or Law Coverage:

If there is an ordinance or law in effect at the time of loss that regulates zoning, land use, or construction of a covered building, and if enforcement of that ordinance or law effects the repair or rebuilding of that building following damage by a Covered Cause of Loss we will pay for:

1. Coverage A – Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building.

2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

The most we will pay under Coverage B is \$50,000 per occurrence

3. Coverage C – Increased Cost of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

- (1)** Repair or reconstruct damaged portions of that building; and/or
- (2)** Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;
when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (1)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (2)** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

The most we will pay under coverage C is \$50,000 per occurrence.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with 3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in 3.a.:

- (1)** The cost of excavating, grading, backfilling and filling;
- (2)** Foundation of the building;
- (3)** Pilings; and
- (4)** Underground pipes, flues and drains.

The items listed in **b. (1)** through **b. (4)** above are deleted from **SECTION A. COVERAGE, subsection 2. Property Not Covered**, but only with respect to the coverage described in this Provision, **3.b.**

We will not pay under Coverage A, B and/or C of this Additional Coverage:

1. The costs associated with the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
2. The costs associated with the enforcement of any ordinance or law which requires any insured or other to test for, monitor or cleanup, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

4.f. Electronic Data

The limit of coverage under item **4.f.(4), Additional Coverages, Electronic Data**, is amended as follows:

The most we will pay under this Additional Coverage- Electronic Data is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations, or computer systems involved.

III. The following are ADDED to Section A. Coverage, subsection 4. Additional Coverages of the Building and Personal Property Coverage Form:

4.g. Accounts Receivable

a. Under item **4.g. Additional Coverages, Accounts Receivable**, we will pay the following that result from Covered Causes of Loss to your records of accounts receivable located at the described premises shown in the Declarations:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

b. Exclusions

(1) Section B., Exclusions - Cause of Loss -Special Form - does not apply to this Accounts Receivable Coverage, except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War and Military Action;

These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

(2) We will not pay for loss or damage caused by or resulting from any of the following:

(a) Dishonest or criminal acts by you, any of your partners, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

(b) Alterations, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (c) Bookkeeping, accounting or billing errors or omissions.
- (d) Electrical or magnetic injury, disturbance or erasure of electronic recordings; but we will pay for direct loss or damage caused by lightning.
- (e) Voluntary parting with any property by you or anyone else to whom you have entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (f) Unauthorized instructions to transfer property to any person or to any place.
- (3) We will not pay for loss or damage that requires any audit of records or any inventory computation to prove its factual existence. However, where you establish wholly apart from such an audit or computation that you have sustained a loss, then you may offer your audit or records and inventory computation in support of the amount of loss claimed.
- (4) We will not pay for loss or damage caused by or resulting from any of the following:
 - (a) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph (1) above to produce the loss or damage.
 - (b) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - (c) Faulty, inadequate or defective
 - i. Planning, zoning, development, surveying, siting;
 - ii. Design, specifications, workmanship, repair, construction, renovations or remodeling, grading, compaction;
 - iii. Material used in repair, construction, renovation or remodeling; or
 - iv. Maintenance;

But if an excluded cause of loss that is listed in (4) a. through (4) c. above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

c. Preservation of Records

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will pay for loss or damage while they are:

- (1) At a safe place away from the described premises;
- (2) Being taken to and returned from that place.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the premises from which the records of accounts receivable are removed.

d. Limits of Insurance

The most we will pay for loss or damage in any one occurrence is \$50,000.

For Accounts Receivable not at any premises described in this policy, the most we will pay is \$50,000.

4.h. Arson or Theft Reward

- a. Under item **4.h Additional Coverages, Arson or Theft Reward**, we will pay a reward for information that leads to a criminal conviction in connection with loss or damage to covered property by a covered theft or fire loss. The most we will pay for loss or damage under this Additional Coverage is \$25,000 regardless of the number of people involved in providing information.

4.i. Back-up of Sewers or Drains

- a. Under item **4i. Additional Coverages, Back-up of Sewers or Drains**, we will pay for direct loss caused by water that backs up through sewers or drains, or water that enters into and overflows from or within a sump pump, sump pump well or other type system designed to remove subsurface water which is drained from the foundation area.
- B. The most we will pay under this Extension is \$25,000 per occurrence, subject to a policy aggregate of \$100,000 per policy period

- c. Section B., Exclusions Item g. (3) - Cause of Loss -Special Form- is replaced by the following:
(3) Water that backs up from a sewer, drain or sump, except as provided by Additional Coverage 4.i (above) Back-up of Sewers or Drains.

4.j. Brands and Labels

- a. Under item **4.j Additional Coverages, Brands and Labels**, if covered Business Personal Property is damaged by a Covered Cause of Loss, we may take all or any part of the damaged property at an agreed or appraised value. If so, you may:
- (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b. We will pay reasonable costs you incur up to \$25,000 for your expenses for stamping or removing brands or labels. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

4.k. Consequential Loss to Stock

- a. Under item **4.k. Additional Coverages, Consequential Loss to Stock**, we will pay the reduction in value of the remaining parts of "stock" in process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other parts of "stock" in process of manufacture at the described premises.
- b. In the application of the COINSURANCE Additional Condition, the value of "stock" in process of manufacture at any location to which this endorsement applies, includes the additional value that it represents in "stock" at other locations.
- c. The most we will pay under this Additional Coverage for each described premises is \$50,000.

4.l. Employee Theft and Forgery or Alteration

A. Insuring Agreements

Under item **4.l Additional Coverages, Employee Theft and Forgery**, coverage is provided for the following Insuring Agreements;

1. Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

This coverage does not apply to any "employee" immediately upon discovery by you or any of your partners, officers, or directors not in collusion with the "employee"; of any theft or dishonest act committed by that "employee" before or after being employed by you.

2. Forgery or Alteration

- a. We will pay for loss resulting directly from "forgery" or unauthorized alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
- (1) Made or drawn by or drawn upon you; or
 - (2) Made or drawn by one acting as your agent;
- Or that are purported to have been so made or drawn.
- b. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for reasonable legal expenses that you incur and pay in that defense. Such reasonable legal expenses shall be deemed to be part of the loss resulting from the "forgery" or unauthorized alteration giving rise to such legal expenses and shall be included in the Limit of Insurance set forth in paragraph B. of this Additional Coverage part.

B. Limit of Insurance: The most we will pay for loss or damage, including reasonable legal expense payments as provided under this Additional Coverage, in any one "occurrence" is \$50,000. All loss or damage caused by one or more "employees," or involving a single act or series of related acts, is considered one occurrence.

C. Exclusions

1. This Additional Coverage does not apply to:

a. Acts Committed By You, Your Partners or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (1) You; or
 - (2) Any of your partners or "members";
- Whether acting alone or in collusion with other persons.

b. Indirect Loss

Loss that is an indirect result of any act or "occurrence" covered by this Additional Coverage including, but not limited to, loss resulting from:

- (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this Additional Coverage.
- (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this Additional Coverage. Item 4.r of this enhancement endorsement is not applicable to this section.

2. **Insuring Agreement A.1. Does not apply to:**

a. Employee Cancelled Under Prior Insurance

Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortages

Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

c. Trading

Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.

d. Warehouse Receipts

Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

3. **Insuring Agreement A.2. does not apply to:**

Acts Of Employees, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

- a. Whether acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

4. **Discovery**

- (1) We will pay for loss that you sustain through acts committed at any time and discovered by you during the policy period shown in the Declarations; or

- (2) Discovery of loss occurs when you first become aware of facts which would cause a reasonable person to assume that a loss covered by this Additional Coverage has been or will be incurred, even though the exact amount or details of loss may not then be known. Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this Additional Coverage.

5. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this Additional Coverage at any time during the policy period and up to 3 years afterward.

6. Definitions

- (1) "Forgery" means the signing of the name of another person or organization with intent to deceive; it **does** not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- (2) "Occurrence" means:
 - (a) As respects Insuring Agreement A.1., all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.
 - (b) As respects Insuring Agreement A.2., all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
- (3) "Other property" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property excluded under this policy.
- (4) "Theft" means the unlawful taking of "money", "securities" or "other property" to the deprivation of the Insured.

4.m. Employees Tools

- a. Under item **4.m Additional Coverages, Employees Tools**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located at the premises described in the Declarations, to apply to tools owned by your "employees." Our payment for loss of or damage to "employees" tools will only be for the account of the owner of the property. The loss or damage must be caused by or result from a Covered Cause of Loss.
- b. The most we will pay for loss or damage under this Extension is \$10,000 for any one loss or damage, but not more than \$2,500 for such property owned by any one "employee."

4.n. Electronic Data Processing Equipment

- a. Under item **4.n. Additional Coverages, Electronic Data Processing Equipment**, you may extend the insurance provided by this Coverage Form for direct physical loss or damage to covered property located in a building described in the Declarations, which is limited to covered property that is your computer equipment, media, "electronic data" (as defined in the Property Not Covered Section of your policy) and programs which you own, lease or rent from others, or for which you are legally responsible, which is caused by any of the following Additional Covered Causes of Loss:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force; and
- (2) Artificially generated electrical current, including electric arcing, that disturbs electrical devices or wires.

To the extent that "electronic data" is not replaced or restored, loss to "electronic data" will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

In the event of a loss to your covered property specified herein caused by an Additional Covered Causes of Loss, we cover your additional loss expenses for the "period of restoration". Such additional loss expense shall be included within and not in addition to our limits of liability set forth in paragraph e. below.

- b. Coverage under this Extension includes:
 - (1) Personal computers, electronic data processing and word processing equipment including their component parts;

- (2) "Electronic data" as defined above; and
 - (3) Media on which data is stored
- c. We do not cover:
- (1) Equipment or media that is sold on an installment plan once it leaves your custody;
 - (2) Equipment or media that you rent to others while it is away from a described premises;
 - (3) Media that cannot be replaced;
 - (4) Program support documentation, flow charts, record formats or narrative descriptions unless this property has been converted to data form;
 - (5) Loss that results from an error or omission in programming or giving improper instructions to the equipment, except that this exclusion does not apply to loss caused by acts of computer hackers, computer viruses, trojan horses, worm, logic bombs or other malicious software;
 - (6) Loss caused by the suspension, lapse or cancellation of a lease, contract or order;
 - (7) Loss or damage caused by or resulting from magnetic injury, or similar disturbance that affects computers, programs, or electronic media and records.
 - (8) "Extra Expense" that results from the items listed above.
- "Extra Expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from any of the Additional Covered Causes of Loss set forth in this Additional Coverage.
- d. For the purposes of this Coverage Extension only, the "period of restoration" means the period of time that;
- (1) Begins with the date of direct physical loss or damage caused by or resulting from any Additional Covered Cause of Loss to the covered property specified above at the described premises; and
 - (2) Ends on the date when the electronic data processing equipment or media at the described premises is or reasonably could be repaired, rebuilt or replaced with reasonable speed and similar quality, regardless whether any or all lost "electronic data" has not been partially or fully repaired or replaced.
- The "period of restoration" is not limited by the expiration date of this policy.
- e. The most we will pay for loss or damage under this Extension is \$25,000 for any one loss to the covered property specified above caused by an Additional Covered Cause of Loss.

4.o. Fine Arts

- a. Under item **4.o Additional Coverages, Fine Arts**, you may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historical worth owned by you, or in your care, custody or control, located at the premises described in the Declarations. We will not cover such property if held for sale, nor for loss or damage caused by repair, restoration or retouching. Loss or damage must be caused by or result from a Covered Cause of Loss.
- b. If loss or damage occurs, we will pay the appraisal value. If you do not have an appraisal, we will pay your cost at the time of purchase.
- c. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.
- d. The most we will pay for loss or damage under this Fine Arts Coverage Extension is \$25,000 at each described premises.

4.p. Fire Extinguisher Recharge Expense

Under item **4.p. Additional Coverages, Fire Extinguisher Recharge Expense**, we will pay the lesser of the cost of recharging or replacing your fire extinguishers or fire extinguishing systems(including hydrostatic testing if needed), because they are discharged as a result of fighting a fire on or within 100

Feet of your described premises or discharge is accidental or results from a malfunction of the fire equipment. The most we will pay under this Additional Coverage is \$10,000 in any one occurrence. Section I, Premises Boundary of this endorsement does not apply to the Additional Coverage provided by this paragraph 4.p.

4.q. Lock and Key Replacement

Under item **4.q. Additional Coverages, Lock and Key Replacement**, we will pay the expenses you incur for the replacement of locks and keys of Buildings which you own or occupy at premises described in the Declarations if keys are stolen. The most we will pay under this Additional Coverage is \$1,500 per occurrence. A Special Deductible of \$50 applies.

4.r. Loss Adjustment Expenses

Under item **4.r. Additional Coverages, Loss Adjustment Expenses**, You may extend the insurance provided by this Coverage Form to cover your expenses for preparation of loss data, including recording information, compiling inventories, or obtaining appraisals, that we require in connection with any claim covered under this policy, except for public adjusters hired by you. The most we will pay under this Extension is \$10,000 for any one loss.

4.s. Money and Securities

1. Under item **4.s. Additional Coverages, Money and Securities**, we will pay for loss of:

a. "money" and "securities" while located within the "premises" resulting directly from the following covered Causes of Loss:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction

provided such theft, disappearance or destruction is caused by the criminal removal from the "premises" or destruction of the "money" and "securities".

b. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while outside the "premises" in the care and custody of an armored motor vehicle company. But, we will only pay for the amount of loss that you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

c. "money" and "securities" resulting directly from any Covered Cause of Loss set forth in (a) above while in the care, custody and control of a "messenger".

Under this Additional Coverage, "premises" means the interior of that portion of any building shown in the policy Declarations, you occupy in conducting your business.

2. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

- a. Resulting from accounting or arithmetical errors or omissions;
- b. That requires any audits of records or any inventory computations to prove its factual existence. However, where you establish wholly apart from such audit or computations that you have sustained a loss, then you may offer your audit of records and inventory computation in support of the amount of loss claimed.
- c. Resulting from the giving or surrendering of property in any exchange or purchase;
- d. Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.

- e. Resulting from any dishonest or criminal act committed by you or any of your employees, directors, trustees or authorized representatives:
 - (1) Acting alone or in collusion with other persons; or
 - (2) While performing services for you or otherwise.
 - f. From damage to the described premises resulting from fire, however caused;
 - g. Of covered property after it has been transferred or surrendered to a person or place outside the described premises;
 - (1) On the basis of unauthorized instructions; or
 - (2) As a result of a threat to do bodily injury to any person or damage to any property.

But this exclusion does not apply to loss of covered property while outside the described premises or "banking premises" in the care and custody of a "messenger" if you have knowledge of any threat at the time of the conveyance from the described premises or "banking premises" to the "messenger";
 - h. From damage to the described premises or its exterior;
 - i. Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
3. The most we will pay for loss in any one occurrence is:
- a. \$25,000 for Inside the Premises for "money" and "securities" while inside the insured premises described in the policy Declarations; or
 - b. \$25,000 for Outside the Premises for "money" and "securities" in the care and custody of a "messenger" or the armored motor vehicle company.
4. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
5. Definitions
- "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- "Messenger" means you, a relative of yours, or any of your partners, "members", "managers" or any "employee" while having care and custody of property outside the "premises".

4.t. Off Premises Utility Service Failure

Under item **4.t. Additional Coverages, Off Premises Utility Service Failure**, this coverage form is extended to pay for direct physical loss or damage to covered property that is caused by:

- 1. The interruption of utility service to the premises described in the policy Declarations. This interruption of service must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - a. Water Supply Services, meaning the following types of property supplying water to the described premises:
 - (1) Pumping stations; and
 - (2) Water mains.
 - b. Communication Supply Services, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:
 - (1) Communication transmission lines, including optic fiber transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays except satellites.

It does not include overhead transmission lines unless indicated by an "X" in the Schedule.
 - c. Power Supply Services, meaning the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;

(3) Substations; and

(4) Transformers

For purposes of this enhancement, Power Supply Services do not include overhead transmission lines.

Coverage under this endorsement for loss or damage to Covered Property does not apply to loss or damage to electronic data, including destruction or corruption of electronic data.

2. We will not pay for loss or damage caused by or resulting from:

- a. The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- b. The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;
- c. The inability of an electrical utility company to or other power source to provide sufficient power due to lack of fuel or governmental order;
- d. The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or
- e. Breaking of any glass that is a permanent part of any refrigeration, cooling or humidity control unit.

The most we will pay under this Extension is \$25,000 for any one occurrence. A Special Deductible of 24 hours per occurrence applies to this Additional Coverage.

4.u. Theft Damage to Building

Under item **4.u. Additional Coverages, Theft Damage to Building**, we will pay for damage caused directly by burglary, theft or attempted burglary or theft to:

- a. That part of any building described in the policy Declarations containing your Business Personal Property; or
- b. Equipment within that building used to maintain or service the building.

We will not pay for damage caused by fire or explosion.

This Coverage Extension is included within, and is not in addition to, the Limit of Insurance applicable to the location described in the Declarations.

VI. Section A. Coverage, Subsection 5. - Coverage Extensions of the Building and Personal Property Coverage Form are amended as follows:

5.a. Newly Acquired or Constructed Property

We will extend coverage in accordance with item **5.a. Coverage Extension, Newly Acquired or Constructed Property**, except that:

- (1) The most we will pay at each newly acquired location for loss or damage to your Building under this extension is increased to the lesser of 25% of your Building limit or \$1,000,000 at each location.
- (2) The most we will pay at each newly acquired location for loss or damage under this extension for Your Business Personal Property is increased to the lesser of 25% of your Building Personal Property limit or \$500,000 at each location.
- (3) The maximum days under paragraph (3)(b) is increased to 90 days.

5.b. Personal Effects and Property of Others

The maximum amount for each described premises under item **5.b. Coverage Extensions, Personal Effects and Property of Others** does not apply. The most we will pay for loss or damage under this Extension is \$25,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. This extension does not apply to tools owned by your "employees".

5.c. Valuable Papers and Records (other than Electronic Data)

The maximum amount for each described premises under item **5.c.(4), Coverage Extensions, Valuable Papers and Records (other than Electronic Data)** does not apply. The most that we will pay under this extension is \$50,000 at each described premises.

5.d. Property Off- Premises

1. The most we will pay for loss or damage under item **5.d., Coverage Extensions, Property Off-Premises**, is amended to \$50,000, except that the most we will pay for loss of or to laptops and portable office equipment is \$10,000. For purposes of this extension, the coverage territory with respects to laptops and portable office equipment only is amended to worldwide.
2. You may extend this insurance provided by this Coverage Extension to include Business Personal Property, other than "stock," in a salesperson's care, custody or control. This extension also applies to Covered Property in or on a vehicle while in a salesperson's care, custody and control unless coverage is provided under Part VII, Paragraph F of this endorsement in which event Paragraph F of Part VII shall control. The most we will pay under this extension is \$15,000.

5.e. Outdoor Property

Item **5.e. Coverage Extensions, Outdoor Property**, is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following property:

- a. Your outdoor fences, retaining walls, light poles, and flag poles that are not part of a building.
- b. Your outdoor radio, television, satellite, dish-type or other antennas, including their masts, towers, lead-in and support wiring.
- c. Your outdoor trees, shrubs and plants that are not "stock."

The most we will pay is \$25,000 in any one occurrence, but not more than \$1,000 for any one tree, shrub or plant.

VII. Cause of Loss-Special Form CP 1030 is amended as follows:

Under item **B.2.d.(6) Cause of Loss- Special Form, Exclusions**, mechanical breakdown is amended to read as follows:

Mechanical Breakdown or mechanical failure, including rupture or bursting caused by centrifugal force. But if spoilage to "perishable stock" results, we will pay for that resulting loss or damage due to direct physical loss arising from mechanical breakdown or mechanical failure. If mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision. The most we will pay under this Extension is \$25,000.

Under this Additional Coverage "perishable stock" means property:

- a. maintained under controlled temperature or humidity conditions for preservation; and
- b. susceptible to loss or damage if the controlled temperature or humidity conditions change.

Mechanical Breakdown and mechanical failure do not mean power interruption, regardless of how or where the interruption is caused and whether or not the interruption is complete or partial.

C. Limitations

Paragraph **3.c.** of **C. Limitations** is replaced by the following:

3.c. \$10,000 for patterns, dies, molds and forms.

F. Additional Coverage Extensions is amended as follows:

Paragraph **1.a.** of **F. Additional Coverage Extensions, Property in Transit**, is amended to delete the exception for property in the care, custody or control of your salespersons.

Paragraph **1.c.** of **F. Additional Coverage Extensions, Property in Transit**, is replaced by the following:

- c. The most we will pay for loss or damage under this Extension is \$50,000

VIII. Additional Conditions

The following Additional Conditions are added to all coverages provided under this Coverage Enhancement:

- a. Coverage afforded the insured under this Coverage Enhancement will be excess over any other valid and collectible insurance available to the insured.

b. Non-Cumulation Of Limit Of Insurance

Regardless of the number of years this Enhancement Endorsement remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

IX. Additional Definitions

1. "Employee":

a. "Employee" means:

(1) Any natural person:

- (a)** While in your service or for 30 days after termination of service;
- (b)** Who you compensate directly by salary, wages or commissions; and
- (c)** Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a)** To substitute for a permanent "employee" as defined in Paragraph (1) above, who is on leave; or
- (b)** To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises" ;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

(4) Any natural person who is:

- (a)** A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan(s) " insured under this policy; and
- (b)** Your director or trustee while that person is handling "funds" or "other property" of any "employee benefit plan(s) " insured under this policy;

(5) Any natural person who is a former "employee", director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

b. "Employee" does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or**
- (2) Any "manager", director or trustee except while performing acts coming within the scope of the usual duties of an "employee".**

2. "Manager" means a person serving in a directoral capacity for a limited liability company.

3. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

4. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and**

- b.** Travelers checks, register checks and money orders held for sale to the public.
- 5.** "Operations" means your business activities occurring at the described premises.
- 6.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 7.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
 - a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".

Except as amended herein, all of the terms and conditions of your policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

Building and Personal Property Coverage Form
Causes of Loss- Special Form
Causes of Loss- Broad Form
Causes of Loss- Basic Form

THE FOLLOWING IS ADDED AS AN ADDITIONAL COVERAGE TO THE CAUSES OF LOSS— BASIC FORM, BROAD FORM OR SPECIAL FORM.

A. ADDITIONAL COVERAGE - EQUIPMENT BREAKDOWN

1. We will pay for direct physical loss of or damage to Covered Property caused by or resulting from an "accident" at the premises described in the Declarations.
2. The following coverages also apply when there is direct physical loss of or damage to Covered Property caused by or resulting from an "accident" at the premises described in the Declarations. The limit indicated for each coverage is the most we will pay for loss arising from any "one accident" unless otherwise shown in the Equipment Breakdown Schedule of Coverages.

a. Expediting Expenses

With respect to your damaged Covered Property, we will pay reasonable extra costs to:

- (1) make temporary repairs; and
- (2) expedite permanent repairs or permanent replacement.

The most we will pay under this coverage is \$250,000 unless otherwise shown in the Equipment Breakdown Schedule of Coverages.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "hazardous substance" been involved. This does not include contamination of "perishable stock" by refrigerant, including but not limited to ammonia.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if Business Income and Extra Expense is shown as covered in the Declarations, is \$250,000 unless otherwise shown in the Equipment Breakdown Schedule of Coverages.

c. Spoilage

We will pay for direct physical loss of or damage to "perishable stock" due to:

- (1) changes in temperature or humidity resulting from an "accident" at the premises described in the Declarations;
- (2) refrigerant contamination from the release of refrigerant, including but not limited to ammonia; or
- (3) changes in temperature or humidity resulting from an "accident" to equipment that is not at the premises described in the Declarations and that is owned by a utility, landlord or other supplier with which you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must be of the type described in the definition of "covered equipment" except that it is not Covered Property.

We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

If you are unable to replace the "perishable stock" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable stock" at the time of the "accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in the Equipment Breakdown Schedule of Coverages.

d. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost "electronic data."

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if Business Income and Extra Expense is shown as covered in the Declarations, is \$250,000 unless otherwise shown in the Equipment Breakdown Schedule of Coverages.

e. CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

f. Off Premises Utility Service Interruption

We extend coverage for Business Income and Extra Expense to apply to the actual loss of Business Income you sustain or necessary Extra Expense you incur as the result of an "accident" to equipment that is not at the premises described in the Declarations and that is owned by a utility, landlord or other supplier with whom you have a contract to supply you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must be of the type described in the definition of "covered equipment" except that it is not Covered Property.

Unless otherwise shown in the Equipment Breakdown Schedule of Coverages, Off Premises Utility Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the "accident."

The most we will pay for loss of Business income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, except that if a limit is shown in the Equipment Breakdown Schedule of Coverages for Off Premises Utility Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

g. Business Income and Extra Expense

Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss of Business Income you sustain or necessary Extra Expense you incur is the limit shown in the Declarations for that coverage, unless otherwise shown in the Equipment Breakdown Schedule of Coverages or elsewhere in this endorsement.

B. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The exclusions are modified as follows:

a. The following is added to Exclusion B.1.g.:

However, if electrical "covered equipment" requires drying out because of Water as described in **g.(1)** through **g.(4)** above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:

Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. But if an "accident" results, we will pay for the resulting loss, damage or expense.

c. If the Causes of Loss -- Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

2. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:
- a. any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data," loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" of any kind unless caused by an "accident". But if an "accident" results, we will pay for the resulting loss, damage or expense; or
 - b. any of the following tests:
 - a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment.
3. We will also not pay under this endorsement for loss, damage or expense caused directly or indirectly by any of the following whether or not they result directly or indirectly from an "accident" or contribute concurrently or in any sequence to the loss, damage or expense:

- a. fire , including water or other means used to extinguish a fire; explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere; any other explosion (except as specifically provided in **E.1.c.** below); lightning; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; or elevator collision;
- b. flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump; except for the cost of drying out electrical equipment (as provided in **B.1.a.** above);
- c. any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, mudslide, earth sinking, tsunami or volcanic action; or water damage (except water damage resulting from an "accident").

In addition to the above, with respect to Spoilage and Off Premises Utility Service Interruption coverages, we will also not pay for an "accident" caused by or resulting from falling objects, weight of snow, ice or sleet; freezing or collapse.

However, we will pay for loss or damage caused by lightning, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; or elevator collision which occurs away from the covered premises and:

- a. causes an electrical surge or other electrical disturbance; and
 - b. such surge or disturbance is transmitted through utility service transmission lines to the covered premises and results in an "accident" at the covered premises; and
 - c. the loss, damage or expense caused by such "accident" would not be covered by your policy absent the attachment of this endorsement.
4. With respect to Business Income, Extra Expense and Off Premises Utility Service Interruption coverages under this endorsement, we will also not pay for:
- a. loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - b. any increase in loss resulting from an agreement between you and your customer or supplier.

Except as modified by this endorsement, all other conditions, exclusions and limitations included within or applicable to the Business Income forms apply.

5. We will not pay under this endorsement for any loss or damage to animals.

THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS MODIFIED AS FOLLOWS:

C. DEDUCTIBLE

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is otherwise shown in the Equipment Breakdown Schedule of Coverages. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **D. DEDUCTIBLE** is deleted and replaced with the following:

1. Deductibles for Each Coverage

- a. Unless the Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- c. If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident," only the highest deductible for each coverage will apply.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Schedule.
- b. Unless more specifically indicated in the Schedule:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

3. Application of Deductibles

- a. **Dollar Deductibles**
We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
- b. **Time Deductible**
If a time deductible is shown in the Schedule, we will not be liable for any loss occurring during the specified number of hours or days immediately following the "accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.
- c. **Multiple of Average Daily Value (ADV)**
If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

The number indicated in the Schedule will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.
- d. **Percentage of Loss Deductibles**
If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

D. CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form and the Common Policy Conditions.

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- a. your last known address; or
- b. the address where the “covered equipment” is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that “covered equipment.” If we suspend your insurance, you will get a pro rata refund of premium for that “covered equipment” for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is “covered equipment” under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If “covered equipment” requires replacement due to an “accident,” we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

4. Coinsurance

If a coinsurance percentage is shown in the Equipment Breakdown Schedule for specified coverages, the following condition applies:

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location

5. Non-Duplication of Coverage

If another endorsement is also attached to your policy which, to any extent, affords Coverage for loss or damage to Covered Property caused by or resulting from an “accident,” the Coverage afforded by such other endorsement for such loss or damage is replaced by the Coverage afforded by this endorsement to the extent that Coverage for such loss or damage is also afforded by this endorsement and subject to all of the terms of this endorsement.

- 6. The most we will pay for loss, damage or expense under this endorsement arising from any “one accident” is the applicable Limit of Insurance in the Declarations unless otherwise shown in the Equipment Breakdown Schedule of Coverages or elsewhere in this endorsement.

Coverage provided under this endorsement does not provide an additional amount of insurance.

E. DEFINITIONS

The following definitions are added and apply to all sections of this endorsement:

- 1. “Accident” means a fortuitous event that causes direct physical damage to “covered equipment” as follows:
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
- 2. “Boilers and vessels” means:
 - a. Any boiler, including attached steam, condensate and feedwater piping; and

- b. Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the Equipment Breakdown Schedule of Coverages.

3. "Covered equipment"

- a. "Covered equipment" means, unless otherwise specified in the Equipment Breakdown Schedule of Coverages, Covered Property:

- (1) that generates, transmits or utilizes energy, including, but not limited to, electronic communications and data processing equipment and "production machinery"; or
- (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

- b. None of the following is "covered equipment":

- (1) structure, foundation, cabinet, compartment or air supported structure or building;
- (2) insulating or refractory material;
- (3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler system;
- (4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (5) "vehicle" or any equipment mounted on a "vehicle";
- (6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (7) dragline, excavation or construction equipment; or
- (8) equipment manufactured by you for sale.

- 4. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) , on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- 5. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- 6. "One accident" means all "accidents" that are the result of the same event. If an initial "accident" causes other "accidents," all will be considered "one accident."
- 7. "Perishable stock" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- 8. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. However, "production machinery" does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.
- 9. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

**COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN SCHEDULE of COVERAGES**

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below or elsewhere in the Equipment Breakdown Coverage Endorsement.

These coverages apply to the premises described in the Declarations, unless otherwise specified.

Coverages	Limits
Equipment Breakdown Limit	\$
Business Income/ Extra Expense(BI/EE):	
Business Income	\$
Extra Expense	\$
Off Premises Utility Service Interruption	\$
Direct Damage:	
Expediting Expenses	\$
Hazardous Substances (includes BI/EE)	\$
Spoilage	\$
Data Restoration (includes BI/EE)	\$
Deductibles	
Combined, All Coverages	\$
Direct Coverages	\$
Indirect Coverages	\$
	or _____ hrs.
	or _____ times ADV
Spoilage	\$
	or _____ % of loss, \$ _____ minimum
Other Conditions	

This endorsement modifies insurance provided under the following:

**Building and Personal Property Coverage Form CP 00 10
Causes of Loss – Special Form CP 10 30**

**CP-7159
(Ed. 10-04)**

COMMERCIAL PROPERTY ENDORSEMENT

A. SCHEDULE OF COVERAGES

Coverages	Limit of Insurance
	(Maximum Amount of Insurance payable for Each Occurrence at Each Location)
Debris Removal	\$ 50,000
Fire Department Service Charge	\$ 25,000
Accounts Receivable	\$ 25,000
Brands and Labels	\$ 25,000
Consequential Loss to Stock	\$ 25,000
Fine Arts	\$ 25,000
Combined Business Income - Extra Expense	\$ 50,000
Personal Effects and Property of Others	\$ 25,000
Valuable Papers and Records (other than Electronic Data)	\$ 25,000
Outdoor Property	\$ 25,000
Electronic Data Processing Equipment and Media	\$ 25,000
Loss Adjustment Expenses	\$ 10,000
Theft Damage to Building	\$ 25,000
Maximum Each Occurrence Limit of Insurance (total for all coverages)	\$ 50,000
Aggregate Limit of Insurance	\$100,000

B. LIMIT OF INSURANCE

The Limit of Insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay under this endorsement.

- a. The Limit of Insurance for each applicable coverage shown in the Schedule above applies to Each Occurrence at Each Location indicated in the Declarations, subject to b. and c. below.
- b. If two or more of this endorsement's coverages apply to loss or damage resulting from the same occurrence, the most we will pay under this endorsement for all coverages is a combined total of \$50,000, subject to c. below.
- c. The most we will pay for all loss or damage occurring in any policy period for all coverages provided by this endorsement during that policy period is a combined total of \$100,000.
- d. Unless otherwise specified in the applicable Additional Coverage or Coverage Extension, the Limit(s) of Insurance provided by the Commercial Property Plus III Endorsement are in addition to the Limits of Insurance indicated in the Declarations for Building and Business Personal Property.
- e. Unless otherwise specified in the applicable Additional Coverage or Coverage Extension, the coverages provided by this endorsement do not apply to any unnamed or unscheduled location.

C. DEDUCTIBLE

The deductible applicable to all coverages provided by this endorsement is \$500 or the Deductible shown in the Declarations applicable to Building or Business Personal Property, whichever is greater. In all other respects, Section D. Deductible of the Building and Personal Property Coverage Form shall remain unchanged.

D. COVERAGES

I. Specified sections of 4. Additional Coverages under A. Coverage of the Building and Personal Property Coverage Form (CP 0010) are amended as follows:

a. Debris Removal

Item a(4) is deleted and replaced by the following:

- 4)** Subject to the rules provided in the Limit of Insurance Section of this endorsement, we will pay up to an additional \$50,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a)** The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b)** The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4) (a)** and/or **(4) (b)** apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus the applicable Additional Limit of Insurance for Debris Removal Expense specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

c. Fire Department Service Charge

The limit of insurance under this Additional Coverage is amended to reflect the applicable Limit of Insurance for Fire Department Service Charge specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

II. The following Additional Coverages are ADDED to Section 4. Additional Coverages under A. Coverage of the Building and Personal Property Coverage Form.

g. Accounts Receivable

- a.** You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (1)** all amounts due from your customers that you are unable to collect;
- (2)** interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3)** collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4)** other reasonable expenses that you incur to re-establish your records of accounts receivable

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable located at the described premises shown in the Declarations. Provided you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of loss or damage, we will also pay the amounts, charges and expenses listed in a.(1) thru (4) above that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable for loss or damage while your accounts receivable are being moved to, returned from or temporarily stored at another location. We will only pay if such loss or damage occurs within thirty (30) days after the property is first moved.

The most we will pay under this Additional Coverage is the applicable Limit of Insurance for Accounts Receivable specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

The applicable Limit of Insurance for this Additional Coverage is in addition to, the applicable Limits of Insurance for Business Personal Property indicated in the Declarations.

For purposes of this Additional Coverage only, Items (a) and (o) of 2. Property Not Covered under A. Coverage of the Building and Personal Property Coverage Form (CP 00 10) are amended to be consistent with the coverage afforded by this Additional Coverage.

b. Exclusions

In addition to the exclusions set forth in Section B. Exclusions of the Causes of Loss -Special Form, we will not pay for loss or damage caused by or resulting from any of the following:

- (1) Alterations, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- (2) Bookkeeping, accounting or billing errors or omissions.
- (3) Electrical or magnetic injury, disturbance or erasure of electronic recordings; but we will pay for direct loss or damage caused by lightning.
- (4) Unauthorized instructions to transfer property to any person or to any place.
- (5) Voluntary parting with any property by you or anyone else to whom you have entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (6) Loss or damage that requires any audit of records or any inventory computation to prove its factual existence. However, where you establish wholly apart from such an audit or computation that you have sustained a loss, then you may offer your audit or records and inventory computation in support of the amount of loss claimed.

c. Loss Payment

For purposes of this Additional Coverage only, the following is added to Paragraph 4. Loss Payment of Section E. Loss Conditions of the Building and Personal Property Coverage Form:

- h.** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
 - (1) Determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- i.** The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (1) The amount of the accounts for which there is no loss or damage;
 - (2) The amount of the accounts that you are able to re-establish or collect;
 - (3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (4) All unearned interest and service charges.

h. Brands and Labels

- a.** If covered Business Personal Property is damaged by a Covered Cause of Loss, we may take all or any part of the damaged property at an agreed or appraised value. If so, you may:
 - (1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
- b.** We will pay reasonable costs you incur for your expenses for stamping or removing brands or labels up to the applicable Limit of Insurance for Brands and Labels specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above, but the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

i. Consequential Loss to Stock

- a. We will pay the reduction in value of the remaining component parts of "stock" in the process of manufacture when the reduction is caused by direct physical loss or damage from a Covered Cause of Loss to other component parts of "stock" in the process of manufacture at the described premises. We will pay only up to the applicable Limit of Insurance for Consequential Loss to Stock specified in the Schedule of Coverages of this endorsement, subject to the rules provided in Section B. Limit of Insurance above.
- b. In the application of the COINSURANCE Additional Condition, the value of the component parts of "stock" in process of manufacture at any location to which this endorsement applies, includes the additional value that it adds to the component parts of "stock" at other locations.

j. Fine Arts

- a. We will pay for direct physical loss or damage to objects of art, art glass windows, antique or period furniture, and other items that have artistic merit, antique value or historical worth owned by you, or in your care, custody or control, located at the premises described in the Declarations and caused by or resulting from a Covered Cause of Loss. We will only pay up to the applicable Limit of Insurance for Fine Arts specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of insurance above. We will not cover such property if held for sale, nor for loss or damage caused by repair, restoration or retouching.
- b. If loss or damage occurs, we will pay the appraisal value, subject to the applicable Limit of Insurance. If you do not have an appraisal, we will pay your cost at the time of purchase, subject to the applicable Limit of Insurance.
- c. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

k. Combined Business Income – Extra Expense

a. Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss or damage to Covered Property at the described premises, including covered personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from any Covered Cause of Loss. We will only pay for loss of Business Income (including any amount we pay for loss under paragraph b. Extra Expense of this Additional Coverage) that occurs within 12 consecutive months after the date of direct physical loss or damage, up to the applicable Limit of Insurance for Business Income and Extra Expense specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

Business Income means the:

- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- (2) Continuing normal operation expenses incurred, including payroll.

b. Extra Expense

We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to Covered Property at the described premises, including covered personal property in the open (or in a vehicle) within 1,000 feet, caused by or resulting from a Covered Cause of Loss.

Extra Expense means expense incurred:

- (1) To avoid or minimize the suspension of business and to continue "operations":
 - (a) At the described premises; or
 - (b) At replacement premises or at temporary locations, including:
 - Relocation expenses; and
 - Costs to equip and operate the replacement or temporary locations.
- (2) To minimize the suspension of business if you cannot continue "operations".

- (3) (a)** To repair or replace any property; or
(b) To research, replace, or restore the lost information on damaged valuable papers and records;
to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.

We will only pay for "Extra Expense" (including any amount we pay for loss under paragraph a. Business Income of this Additional Coverage) you incur within 12 consecutive months after the date of direct physical loss or damage, up to the applicable Limit of Insurance for Business Income and Extra Expense Coverage specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

c. Limitation – Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- (1)** 60 consecutive days from the date of direct physical loss or damage; or
(2) The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises, due to loss or damage caused by the same occurrence.

For purposes of this Additional Coverage only, Electronic Media and Records are

- a.** Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
b. Data stored on such media; or
c. Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the Electronic Media that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

d. Resumption of Operations

We will reduce the amount of your:

- (1)** Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
(2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

e. Extended Business Income

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a)** Begins on the date property (except "stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
(b) Ends on the earlier of:
(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
(ii) 60 consecutive days after the date determined in (a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

The coverage provided for Extended Business Income is included within the Limit of Insurance for Business Income and Extra Expense Coverage provided by this endorsement.

- f. Business Income and Extra Expense Exclusions. We will not pay for:
- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the cause of the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.
But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
 - (2) Any loss caused by or resulting from:
 - (a) Damage or destruction of finished "stock"; or
 - (b) The time required to reproduce finished "stock".
 This exclusion does not apply to Extra Expense.
 - (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
 - (4) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income provision of this Additional Coverage.
 - (5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
 - (6) Any other consequential loss.
- g. For purposes of this Additional Coverage only, the following terms have the following meanings:
1. **"Operations"** means your business activities occurring at the described premises.
 2. **"Period of Restoration"** means the period of time that:
 - (a) Begins
 - (1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (b) Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality;
 - (2) The date when business is resumed at a new permanent location; or
 - (3) 12 consecutive months after the date of direct physical loss or damage.

"Period of Restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

 - (1) Regulates the construction, use of repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of the policy will not cut short the "period of restoration".

III. Specified sections of 5. Coverage Extensions under A. Coverage of the Building and Personal Property Coverage Form are amended as follows:

b. Personal Effects And Property Of Others

The limit of coverage under this Coverage Extension is amended to reflect the applicable Limit of Insurance for Personal Effects And Property Of Others specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

c. Valuable Papers And Records (Other Than Electronic Data)

The limit of coverage under this Coverage Extension is amended to reflect the applicable Limit of Insurance for Valuable Papers And Records (Other Than Electronic Data) specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

e. Outdoor Property

Item **5.e. Coverage Extensions, Outdoor Property** is replaced by the following:

You may extend the insurance provided by this Coverage Form to apply to the following property:

- a.** Your outdoor fences, retaining walls, light poles, and flag poles that are not part of a building, and signs (other than signs attached to the buildings)
- b.** Your outdoor radio, television, satellite, dish-type or other antennas, including their masts, towers, lead-in and support wiring
- c.** Your outdoor trees, shrubs and plants that are not “stock.”

The most that we pay under this Coverage Extension is the applicable Limit of Insurance for Outdoor Property specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above, but in no event will we pay more than \$1000 for any one tree, shrub or plant.

IV. The following items are ADDED to 5. Coverage Extensions under A. Coverage of the Building and Personal Property Coverage Form.

g. Electronic Data Processing Equipment and Media

- a.** You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage to Your Business Personal Property which is your computer equipment and media, which you own, lease or rent from others, or for which you are legally responsible located in a building described in the Declarations, which is caused by any of the following Additional Covered Causes of Loss:

- (1)** Mechanical breakdown, including rupture or bursting caused by centrifugal force; and
- (2)** Artificially generated electrical current, including electric arcing, that disturbs electrical devices or wires.

In the event of a direct physical loss or damage to your Covered Business Personal Property specified in this Coverage Extension caused by an Additional Covered Cause of Loss in a.(1) or (2) above, we cover your “Extra Expense” for the “period of restoration”. Such “extra expense” shall be included within and not in addition to the Limit of Insurance for Electronic Data Processing Equipment specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

Solely for purposes of the coverage provided by this Coverage Extension, Exclusion B.2.a. and B.2.d.(6) under B. Exclusions of the Causes of Loss – Special Form (CP 10 30) do not apply.

- b.** Coverage under this Extension includes:
 - (1)** Personal computers, electronic data processing and word processing equipment including their component parts; and
 - (2)** Media on which data is stored
- c.** We do not cover:
 - (1)** Equipment or media that is sold on an installment plan once it leaves your custody;
 - (2)** Equipment or media that you rent to others while it is away from a described premises;
 - (3)** Media that cannot be replaced;
 - (4)** Program support documentation, flow charts, record formats or narrative descriptions;
 - (5)** Loss that results from an error or omission in programming or giving improper instructions to the equipment.
 - (6)** Loss caused by the suspension, lapse or cancellation of a lease, contract or order;
 - (7)** Loss or damage caused by or resulting from magnetic injury, or similar disturbance that affects computers, programs, or electronic media and records.
 - (8)** “Electronic Data” as defined in the Property Not Covered Section of the Building and Personal Property Coverage Form
 - (9)** “Extra Expense” that results from the items listed in c.(1)-(8) above.

For the purpose of this Coverage Extension only, “Extra Expense” means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to the property covered by this Extension which was caused by an Additional Covered Cause of Loss in a.(1) or (2) of this Extension.

- d. For the purposes of this Coverage Extension only, the “period of restoration” means the period of time that;
 - (1) Begins with the date of direct physical loss or damage to property covered by this Extension and caused by an Additional Covered Cause of Loss in a.(1) or(2) of this Extension at the described premises; and
 - (2) Ends on the date when the electronic data processing equipment or media at the described premises is or reasonably could be repaired, rebuilt or replaced with reasonable speed and similar quality, regardless whether any or all lost data or recordings stored on such media or equipment has been partially or fully repaired or replaced.
- The “period of restoration” is not limited by the expiration date of this policy.
- e. The most that we pay under this Coverage Extension is the applicable Limit of Insurance for Electronic Data Processing Equipment specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

h. Loss Adjustment Expenses

You may extend the insurance provided by this Coverage Form to cover your expenses for preparation of loss data, including recording information, compiling inventories, or obtaining appraisals, that we require in connection with any claim covered under this policy, except that fees, costs or expenses incurred for or by public adjusters hired by you are not covered. The most that we pay under this Coverage Extension is the applicable Limit of Insurance for Loss Adjustment Expenses specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

i. Theft Damage to Building

If you are a tenant, you may extend the insurance provided by this coverage form to pay for damage to:

- a. That part of any building that you lease, which is not described in the policy Declarations containing your Business Personal Property; or
- b. Equipment within that building used to maintain or service the building caused directly by burglary, theft or attempted burglary or theft.

We will not pay for damage caused by fire or explosion.

The most that we pay under this Coverage Extension is the applicable Limit of Insurance for Theft Damage to Building specified in the Schedule of Coverages of this endorsement, subject to the rules provided by Section B. Limit of Insurance above.

V. Additional Conditions

The following Additional Conditions are added to all coverages provided under this endorsement:

- a. Coverage afforded the insured under this Coverage Enhancement will be excess over any other valid and collectible insurance available to the insured.

b. Non-Cumulation Of Limit Of Insurance

As respects the coverage provided by this endorsement, no Limit of Insurance cumulates from year to year or policy period to policy period.

Except as amended herein, all of the terms and conditions of your policy remain unchanged.

POLICY NUMBER:

COMMERCIAL PROPERTY
CP-7164 (Ed. 11-06)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE – VOLCANIC ERUPTION COVERAGE SCHEDULE

This endorsement provides supplementary information to be used with the following:

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

Description of Premises or Location(s) _____

"Including Masonry Veneer" Option ☐ Yes ☐ No

Property Damage Deductible _____ %

Earthquake – Sprinkler Leakage Only ☐

Earthquake – Volcanic Eruption Limit(s) of Insurance The Limit(s) of Insurance shown in Section **A** and/or **B** of this Schedule is an annual aggregate limit(s). Refer to the Limit Of Insurance Provisions in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form) for an explanation.

A. Blanket Limit \$ _____

(The Blanket Limit applies to all Premises and Locations listed on this page of the Schedule. If a separate Blanket Limit(s) applies at other Premises or Locations, then a separate page(s) of this Schedule will be used to enter the Blanket Limit(s) for such Premises or Locations.)

Check applicable Covered Property/Coverage(s) for Blanket Limit:

☐ Bldg. ☐ BI (CP 00 32)
☐ BPP ☐ EE (CP 00 50)
☐ BI (CP 00 30) ☐ Other _____

The Blanket Limit does not apply separately to the Premises, Locations, Covered Property or Coverages listed. The Blanket Limit is the most we will pay for all loss or damage to the indicated Covered Property/Coverages at the Premises and Locations listed, subject to all other applicable provisions of the Limit of Insurance section in the Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form).

- B.** Separate Limits (If a separate Limit of Insurance is entered in this section of the Schedule, **B.**, for a particular Covered Property/Coverage, that Covered Property/Coverage should NOT be included under a Blanket Limit.)

Premises		Premises		Premises	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Premises		Premises		Premises	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Premises		Premises		Premises	
Bldg.	\$ _____	Bldg.	\$ _____	Bldg.	\$ _____
BPP	\$ _____	BPP	\$ _____	BPP	\$ _____
BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____	BI (CP 00 30)	\$ _____
BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____	BI (CP 00 32)	\$ _____
EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____	EE (CP 00 50)	\$ _____
Other	\$ _____	Other	\$ _____	Other	\$ _____

Increased Annual Aggregate Limit Option: ☐ Yes ☐ No

Bldg. = Building; BPP = Business Personal Property; BI = Business Income Coverage Form; EE = Extra Expense Coverage Form

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Policy Number:
Named Insured:

Policy Period: From To

☒ See Supplemental Schedule

Agent #

BUSINESS DESCRIPTION:

DESCRIPTION OF PREMISES:

Prem. Bldg.
No. No. Location, Fire Protection/Construction and Occupancy

SEE SCHEDULE CP-7162

COVERAGES PROVIDED: Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form (1)	Coinsurance(2)	Deductible
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SEE SCHEDULE CP-7162

OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Amount	Agreed Value Expiration Date	Replacement Cost Incl. Stock	Inflation Guard
--------------	--------------	----------	--------	---------------------------------	---------------------------------	--------------------

SEE SCHEDULE CP-7162

OPTIONAL COVERAGES: APPLIES TO BUSINESS INCOME ONLY

Prem. No.	Bldg. No.	Agreed Value Date	Agreed Value Amount	Monthly Limit of Indemnity (Fraction)	Maximum Period of Indemnity	Extended Period of Indemnity (Days)
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SEE SCHEDULE CP-7162

DEDUCTIBLE:

SEE SCHEDULE CP-7162

MORTGAGE HOLDERS:

SEE SCHEDULE GU-7007 IF APPLICABLE

FORM(S) AND ENDORSEMENT(S) APPLICABLE TO THIS COVERAGE PART:

SEE SCHEDULES GU-7004 and GU-7009

TOTAL PREMIUM FOR THIS COVERAGE PART \$

(1) EQ (if shown) = Earthquake (2) Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Form Symbol

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL SCHEDULE

Policy Number:
Named Insured:

Policy Period: From

To
Agent #

DESCRIPTION OF PREMISES:

Prem. Bldg
No. No. Location, Fire Protection/Construction and Occupancy

COVERAGES PROVIDED: Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made.

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form (1)	Coinsurance(2)	Deductible
--------------	--------------	----------	-----------------------	----------------------------	----------------	------------

OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Agreed Value Amount	Expiration Date	Replacement Cost Incl. Stock	Inflation Guard
--------------	--------------	----------	------------------------	-----------------	---------------------------------	--------------------

OPTIONAL COVERAGES: APPLIES TO BUSINESS INCOME ONLY

Prem. No.	Bldg. No.	Agreed Value Date	Agreed Value Amount	Monthly Limit of Indemnity (Fraction)	Maximum Period of Indemnity	Extended Period of Indemnity (Days)
--------------	--------------	----------------------	------------------------	--	--------------------------------	--

Deductible Exceptions:

(1) EQ (if shown) = Earthquake (2) Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Form Symbol

COMMERCIAL PROPERTY COVERAGE PART SUPPLEMENTAL SCHEDULE (BLANKET)

Policy Number:
Named Insured:

Policy Period: From

To
Agent #

COMMERCIAL PROPERTY COVERAGE PART – BLANKET STATEMENT OF VALUES

Blanket No.	Blanket Description	Limit of Insurance	Co-Insurance
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COMMERCIAL LINES COMMON POLICY DECLARATIONS

Policy Number:

Named Insured and Mailing Address:

Agent:

Agency Code:
Phone Number:

Policy Period: From:

To:

at 12:01 A.M. Standard Time at your mailing
address shown above.

Business Description:

Form of Business:

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. IF YOU REQUEST
CANCELLATION OF THIS POLICY, THE COMPANY WILL RETAIN A MINIMUM PREMIUM OF \$.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.
THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	
Crime and Fidelity Policy Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Commercial Liability Umbrella Policy	

Sub-Total
Fees and Surcharge - See Schedule GU-7015 (If Applicable)
Total

**FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY:
SEE SCHEDULES GU-7004 and GU-7009**

POLICY CHANGES

Policy Number:

Named Insured:

Agency/Producer Code:

Policy Period: From: To:

CHANGE EFFECTIVE _____ CHANGE # _____

DESCRIPTION

Original Premium \$ _____ New Premium \$ _____ Total Add'l/Return Premium \$ _____

ADDITIONAL INSURED SCHEDULE

POLICY NUMBER:

AGENT # :

ADDITIONAL INTEREST SCHEDULE

POLICY NUMBER:

AGENT # :

Company name goes here

FORM SCHEDULE

Policy Number:

Policy Period: From: To:

Form	Edition	Description
------	---------	-------------

LOCATION SCHEDULE

POLICY NUMBER:

AGENT #:

Premises No.	Bldg. No.	Address
-----------------	--------------	---------

LOSS PAYEE SCHEDULE

POLICY NUMBER:

AGENT #:

MORTGAGEE SCHEDULE

POLICY NUMBER:

AGENT #:

NAMED INSURED SCHEDULE

POLICY NUMBER:

AGENT # :

Company name goes here

POLICYHOLDER NOTICE SCHEDULE

Policy Number:

Policy Period: From: To:

The following material contains important information about your policy. Please read it carefully.

Form	Edition	Description
------	---------	-------------

Company name goes here

DECLARATIONS PAGE EXTENSION

IMPORTANT INFORMATION

Policy Number:

Policy Period: From:

To:

Company Name goes here

FEES AND SURCHARGE SCHEDULE

Policy Number:

Policy Period: From: To:

Policy Number:

Policy Period: From:

To:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

All other terms and conditions of this Policy remain unchanged.

Policy Number:

Policy Period: From:

To:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

All other terms and conditions of this Policy remain unchanged.

Harleysville Worcester Insurance Company



This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Dennis Otmaskin
President



Robert A. Kauffman
Secretary

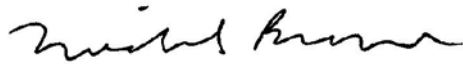
Harleysville Preferred Insurance Company



This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide insurance described in this policy in return for the premium and compliance with all applicable policy provisions.

In Witness Whereof, the Company has caused this policy to be executed and attested.



Michael L. Browne
President & Chairman



Robert A. Kauffman
Secretary

Harleysville Insurance Company

A Stock Company

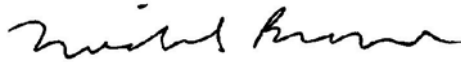


P. O. Box 1233
Minneapolis, MN 55440-1233

This policy jacket with the policy provisions, declarations or information page, and endorsements, if any, completes this policy.

We will provide the insurance described in this policy in return for the premium and compliance with all applicable policy provisions

In Witness Whereof, the Company has caused this policy to be executed and attested.



Michael L. Browne
President & Chief Executive Officer



Robert A. Kauffman
Secretary

FLOOD COVERAGE SCHEDULE (SUB-LIMIT)

This endorsement provides supplementary information to be used with the following:

FLOOD COVERAGE ENDORSEMENT**A. Inception Date Of Flood Coverage Endorsement** _____

Note: There is no coverage for a Flood that begins before or within 72 hours after this date. Refer to Section **D.5.a.** of the Endorsement for additional information.

Description of Location(s) / Address _____

Description Of Personal Property In The Open, If Covered For Flood _____

Flood Deductible _____

B. Options

1. ***No-Coinsurance Option:** ☐ applicable

*Note: always applicable to sublimited locations

No-Coinsurance Option : ☐ applicable to the following non-sublimited locations:

Refer to Section **F.1.** of the Endorsement for additional information.

2. Catastrophe Limit:

The most we will pay for total of losses arising out of one or more coverage in any one occurrence is:

\$ _____

Other Flood Insurance, If Any (identify insurer and policy number):

Primary (NFIP) _____

Other _____

Underlying Insurance Waiver Note: ☐ applicable

Refer to Section **I.1.** of the Endorsement for an explanation.

Flood Limit of Insurance – Single Occurrence per Location:

Enter the Limit(s) and select applicable coverages at each location below. If Covered Property/Coverage(s) section is blank, applicable Limit of Insurance will apply to Building Coverage only.

Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

Location Number _____
Limit of Insurance _____ Annual Aggregate* _____

Check applicable Covered Property/Coverage(s) for:

Building	<input type="checkbox"/>	Business Income (CP 0032)	<input type="checkbox"/>
Business Personal Property	<input type="checkbox"/>	Extra Expense (CP 0050)	<input type="checkbox"/>
Business Income (CP 0030)	<input type="checkbox"/>		
Other:			

*Note: Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

Location Number _____
Limit of Insurance _____ Annual Aggregate* _____

Check applicable Covered Property/Coverage(s) for:

Building	<input type="checkbox"/>	Business Income (CP 0032)	<input type="checkbox"/>
Business Personal Property	<input type="checkbox"/>	Extra Expense (CP 0050)	<input type="checkbox"/>
Business Income (CP 0030)	<input type="checkbox"/>		
Other:			

*Note: Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

Location Number _____
Limit of Insurance _____ Annual Aggregate* _____

Check applicable Covered Property/Coverage(s) for:

Building	<input type="checkbox"/>	Business Income (CP 0032)	<input type="checkbox"/>
Business Personal Property	<input type="checkbox"/>	Extra Expense (CP 0050)	<input type="checkbox"/>
Business Income (CP 0030)	<input type="checkbox"/>		
Other:			

*Note: Refer to the Limit of Insurance provisions in the Endorsement for an explanation.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUEL OIL DEALERS PROPERTY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART – BUILDING AND PERSONAL PROPERTY COVERAGE FORM

The following are ADDED to Section A. Coverage, subsection 4. Additional Coverages of the Building and Personal Property Coverage Form:

Terminal Access Card

We will also pay for direct physical loss or damage of your petroleum products, or the petroleum products of others charged to you and for which you are liable, resulting from the unauthorized use of a "terminal access card" that is lost or stolen during the policy period.

This Additional Coverage does not apply to loss or damage caused by or resulting from:

- (1)** Dishonest or criminal acts committed by you, your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the "terminal access card";
 - a.** Acting alone or in collusion with others; or
 - b.** Whether or not occurring during the hours of employment.

- (2)** Use of the card or voluntary parting with the "terminal access card" by you or anyone else to whom you have entrusted the card, unless such use is induced by violence or the threat of violence.

The most we will pay for loss or damage under this Terminal Access Card Additional Coverage is \$25,000. All loss resulting from a series of similar or related uses of a terminal access card shall be considered to be one loss.

Definition

"terminal access card" is defined as an imprinted card or a key or other locking device for use by an authorized person which provides access for the purpose of activating an otherwise locked petroleum products pump.

Credit Card Forgery

We will also pay for loss resulting directly from "forgery" or alteration of a written instrument to pay a sum certain in currency, in conjunction with any credit, debit or charge card issued to you or any of your employees for business purposes.

The most we will pay for all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments, is \$2,500.

We will not pay for loss:

- (1)** resulting from the unauthorized use of a lost or stolen "terminal access card" as defined above; or
- (2)** resulting from any dishonest or criminal act committed by you, your partners or any of your employees, directors or trustees whether acting alone or in collusion with other persons and whether performing services for you or otherwise; or
- (3)** arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued; or
- (4)** that is an indirect result of any act covered by this insurance, including, but not limited to, loss resulting from:

- (a) Your inability to realize income that you would have realized had there been no loss as covered by this additional coverage; or
- (b) Payment of damages of any type for which you are legally liable, but we will pay compensatory damages arising directly from a loss covered under this additional coverage; or
- (c) Payment of costs, fees or expenses you incur establishing the existence or the amount of loss under this insurance

Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

Additional Conditions

a. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

b. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

c. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

d. Policy Term

We will pay only for covered loss discovered no later than one year from the expiration or termination date of the policy.

Definition

"Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

Petroleum Products Contamination

We will also pay up to \$30,000 of your Business Personal Property limit for direct physical loss or damage of your petroleum products at the premises shown in the Declaration caused by contamination.

We will pay such loss only if:

1. The contamination is the direct result of the temporary, unusual and rapid accumulation or runoff of surface water from any source;
2. The contamination takes place during the policy period; and
3. You discover the loss and report the loss to us in writing not later than one hundred eighty (180) days from the date of the loss or from the end of the policy period, whichever comes first.

A \$250 deductible per occurrence applies.

Wrong Delivery of Petroleum Products

We will also pay up to \$30,000 of your Business Personal Property limit for direct physical loss or damage of your liquid petroleum products that are destroyed or rendered unusable as the direct result of delivery of your products into the wrong container or as a direct result of the erroneous delivery of one petroleum product for another.

<i>SERFF Tracking Number:</i>	<i>HRLV-125761720</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>Harleysville Insurance Company, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>CPSV12172007-2</i>		
<i>TOI:</i>	<i>01.0 Property</i>	<i>Sub-TOI:</i>	<i>01.0001 Commercial Property (Fire and Allied Lines)</i>
<i>Product Name:</i>	<i>CP</i>		
<i>Project Name/Number:</i>	<i>CP Product Standardization - initial/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number:	HRLV-125761720	State:	Arkansas
First Filing Company:	Harleysville Insurance Company, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	CPSV12172007-2		
TOI:	01.0 Property	Sub-TOI:	01.0001 Commercial Property (Fire and Allied Lines)
Product Name:	CP		
Project Name/Number:	CP Product Standardization - initial/		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Approved	08/14/2008
Comments:				
Attachment:				
NAIC 2007.pdf				

Satisfied -Name:	Cover letter, Exhibits A & B	Review Status:	Approved	08/14/2008
Comments:				
Attachments:				
cover letter forms initial filing.pdf				
INITIAL FORMS LISTING.pdf				

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">New Business</div> <div style="width: 55%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Renewal Business</div> <div style="width: 55%;"></div> </div> f. State Filing #: g. SERFF Filing #: h. Subject Codes
---	---


3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Harleysville Insurance Company	PA	23582	41-0417250	
Harleysville Preferred Insurance Company	PA	35696	23-2384978	
Harleysville Worcester Insurance Company	PA	26182	04-1989660	

5. Company Tracking Number	125761720
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Carol Zwayer 355 Maple Avenue Harleysville, PA 19438	Senior State Filing Analyst	800-523-6344 ext. 5735	215-256-5678	czwayer@harleysville group.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Carol Zwayer

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Property
10. Sub-Type of Insurance (Sub-TOI)	Commercial Property
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 01-15-09 Renewal: 06-02-2009

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	8/6/08
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved
20.	This filing transmittal is part of Company Tracking #	125761720
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

Harleysville Insurance Company, Harleysville Preferred Insurance Company and Harleysville Worcester Insurance Company have been granted authority to transact business in the state of Arkansas. It is our intent to begin active operation January 15, 2009.

As a subscriber to ISO, we wish to use the ISO standard policies and endorsements in the Commercial Lines Manual, Division Five – Commercial Property filed on our behalf by said organization (See Exhibit A), subject to variations.

Insurance Services Office advised that declarations were advisory and submitted to the states for information only; therefore, we wish to submit our Company declarations. In addition, there are several nonstandard forms which we will use in affording coverage. See Exhibit B for a complete forms listing.

Rule of Application: Applicable to all new business policies effective on or after January 15, 2009 and renewals effective on or after June 2, 2009.

Statistical Agent: Insurance Services Office, 545 Washington Blvd, Jersey City NJ 07310-1686

Your favorable consideration will be appreciated.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<div style="margin-bottom: 20px;"> Check #: EFT Amount: 50.00 </div> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

HARLEYSVILLE INSURANCE

355 Maple Avenue
Harleysville PA 19438-2297
www.harleysvillegroup.com

August 5, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

NAIC #: 23582, 35696, 26182

COMMERCIAL PROPERTY

Form Filing

Company Reference Filing Number: 125761720

Dear Honorable Bell:

Harleysville Insurance Company, Harleysville Preferred Insurance Company and Harleysville Worcester Insurance Company have been granted authority to transact business in the state of Arkansas. It is our intent to begin active operation January 15, 2009.

As a subscriber to ISO, we wish to use the ISO standard policies and endorsements in the Commercial Lines Manual, Division Five – Commercial Property filed on our behalf by said organization (See Exhibit A), subject to variations.

Insurance Services Office advised that declarations were advisory and submitted to the states for information only; therefore, we wish to submit our Company declarations. In addition, there are several nonstandard forms which we will use in affording coverage. See Exhibit B for a complete forms listing.

Rule of Application: Applicable to all new business policies effective on or after January 15, 2009 and renewals effective on or after June 2, 2009.

Statistical Agent: Insurance Services Office, 545 Washington Blvd, Jersey City NJ 07310-1686

Your favorable consideration will be appreciated.

Very truly yours,

Harleysville Insurance Company
Harleysville Preferred Insurance Company
Harleysville Worcester Insurance Company



Carol Zwoyer, AAM, AIT
Senior State Filing Analyst
(215) 256-5735

czwoyer@harleysvillegroup.com

EXHIBIT A

CL-96-096MF
CF-97-097BI
CF-97-097FO
CL-98-098IS
CF-98-OY2KF
CF-99-099EF
CF-99-099FR
CF-2001-O01FR
CL-2001-OFR01
CL-2002-OTEMF
CL-2002-OTERF
CL-2003-OTEFO
CL-2004-OTIPP
CF-2006-OVBEF
CL-2006-LOB1
CL-2006-OTF01
CL-2007-OTRP1
CL-2008-OPT0A

EXHIBIT B
FORMS LISTING

Form Number	Edition Date	Form Title
CP-7110	03-04	Commercial Property Endorsement
CP-7130	03-04	Commercial Property Plus
CP-7136	11-06	Equipment Breakdown Endorsement
CP-7137	11-06	Equipment Breakdown Endorsement Schedule
CP-7159	10-04	Commercial Property Endorsement
CP-7161	11-06	Commercial Property Coverage Part Declarations
CP-7162	11-06	Commercial Property Coverage Part Supplemental Schedule
CP-7163	11-06	Commercial Property Coverage Part Supplemental Schedule – Blanket
CP-7164	11-06	Earthquake – Volcanic Eruption coverage Schedule
CP-7169	12-07	Flood Coverage Schedule (Sub-limit)
CP-7174	01-08	Fuel Oil Dealers Property Endorsement
GU-7000	03-08	Commercial Lines Common Policy Declarations
GU-7001	07-08	Policy Change Document
GU-7002	11-06	Additional Insured Schedule
GU-7003	11-06	Additional Interest Schedule
GU-7004	11-06	Form Schedule
GU-7005	11-06	Location Schedule
GU-7006	11-06	Loss Payee Schedule
GU-7007	11-06	Mortgagee Schedule
GU-7008	11-06	Named Insured Schedule
GU-7009	11-06	Policyholder Notice Schedule
GU-7013	11-06	Declaration Page Extension
GU-7015	11-06	Fees and Schedules
MANU-1	07-04	Manuscript Endorsement
MANU-2	07-04	Manuscript Endorsement
PJ-0004	02-05	Policy Jacket – Harleysville Preferred Insurance Company
PJ-0003	02-05	Policy Jacket – Harleysville Worcester Insurance Company
PJ-0023	02-05	Policy Jacket – Harleysville Insurance Company